AFRICA RECOVERY

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Millions, like this Mozambican child, face a grim future after widespread drought in Southern and Eastern Africa.

Drought dims hope of faster recovery

By Roy Laishley

Hopes of accelerating economic growth in Africa this year are being dashed by the widespread drought presently cutting a swathe through nearly 20 countries. Already killing tens of thousands and destroying the livelihoods of millions more, it also threatens to undermine already difficult economic reform efforts (see page 7).

Analysts say growth in the continent in 1992 will now probably be below 3 per cent and could be under 2.5 per cent. The final outcome will depend on whether rains fall later this year and on the faltering pace of economic recovery in industrial countries, where slower than expected growth is further adding to fears for growth in Africa.

With the economic impact of the drought likely to extend through 1993, World Bank and International Monetary Fund (IMF) officials warn that economic reform programmes risk being derailed unless additional funding is mobilized to offset the wider economic consequences on affected countries. "Steps will need to be taken to safeguard the implementation of IMF-supported programmes," IMF Managing Director Michel Camdessus told the April meeting of the Fund's Interim Committee.

With reforms already hurting living standards, countries are facing mounting political instability as they try to adhere to often unpopular adjustment programmes. Many programmes are already being modified. "Any new government is in danger of being swept away; any old is likely to feel forced...to 'tighten up' in the face of the very real threats to social and political order, as well as to itself," says Prof. Reginald Green, an adviser to the Southern African Development Coordination Conference (SADCC).

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In a 26 May appeal on behalf of SADCC, Botswana's President Sir Ketumile Masire warned that the drought was not only putting lives at risk, "but will also wreak havoc on the economic stability" in several countries.

In a series of appeals over the last three months, the UN has called for some $2 bn in emergency assistance for over 40 million people facing famine in 16 Southern and Eastern African countries. Drought has also

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OAU gears up for child initiative

By Salim Lone

With family incomes dropping continuously in the continent for more than a decade, African governments are gearing up for a major new effort to combat the continuing deterioration and precariousness of the conditions in which their children live. This effort will be formally launched at the Organization of African Unity's (OAU's) International Conference on Assistance to African Children, to be held 25-27 November in Dakar, Senegal, where strategies to reverse this trend will be presented to leaders from the continent and the international community. Plans for mobilizing additional domestic and external resources - including proposals on how African governments can restructure national budgets to release more funds for child survival and development - will also be detailed at the conference.

This new drive is a direct follow-up to the 1990 UN World Summit for Children, at which explicit goals were established in a variety of areas. Africa is the first region to initiate such a follow-up at the continent-wide level, and it will have strong support from the United Nations Children's Fund (UNICEF).

This initiative comes amidst growing awareness that undertaking a range of low-cost actions and other measures of social

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Donors curb ADB expansion

Modest target set for new lending

By Roy Laishley in Dakar

The African Development Bank's (ADB's) drive to become the dominant supplier of funds to Africa has been slowed as a result of the decision to cut back lending for its 1992-96 lending programme. Under pressure from non-African members, concerned over its financial standing, the ADB's annual meeting, held in Dakar in mid-May, agreed to set a lending target for the main arm of the bank of 7 billion units of account (UA), some $9.6 bn.

The new target is only marginally higher than the UA6.5 bn lent in 1987-91 — the level most non-regional members wanted to hold 1992-96 lending to — and well short of the UA10 bn originally envisaged by African countries and of the UA8.2 bn level which would maintain lending in real terms.

Expressing a widespread feeling of disappointment at donor insistence on such a modest lending target, then Nigerian Finance Minister Alhaji Abubakar Alhaji asked whether the ADB should "be a leader in Africa or a subordinate in its own house?" He contrasted the new proposed annualized level of lending of some $1.9 bn with main bank lending in 1991 of $2.25 bn. "Considering Africa's immense needs, this is a very low target indeed," Mr. Alhaji told the annual meetings. Including the soft-loan affiliate, the African Development Fund (ADF) and the Nigerian Trust Fund ADB group lending in 1991 totalled $3.45 bn.

Todd France

Former Nigerian Finance Minister Alhaji Abubakar Alhaji (left) made clear his disappointment at new lending targets, while ADB President Babacar Ndiaye (right) called for more support for Africa's own bank.

New initiatives

While non-regional members, which include all the major donors such as the United States and Japan, continue to support ADB efforts to increase lending to the private sector, they oppose new initiatives which broaden the Bank's scope. This includes plans for the establishment of an import-export bank for Africa ('Afreximbank'). ADB President Babacar Ndiaye told the annual meetings that considerable interest has already been shown by banks and financial institutions following a feasibility study into the proposed 'Afreximbank.' A meeting of prospective shareholders in 'Afreximbank' — which could have an authorized capital of $550 mn and a guarantee facility of $100 mn — will be convened later this year, though the exact nature of ADB's participation has still to be determined.

Non-regional members of the ADB argue that the rapid expansion of lending in recent years has put pressure on both the Bank's management capacity and the capacity of members to repay their obligations. The ADB is a financial, not an aid institution and therefore "must be perceived to be well-managed," US representative Mr. Olin Wethington said.

The sharp rise in payment arrears — from $47.5 mn in 1990 to $86.1 mn in 1991 — was seen by donors as confirmation of their fears. Most argued for what Dutch Development Cooperation Minister Jan Pronk described as "a period of consolidation." For Mr. Wethington, the ADB's new lending target "sends a clear, unambiguous and positive signal to international capital markets" that the Bank remains a financially sound institution.

In the interest of preserving unity, regional members went along with the new lending target, though many, such as Zambia's Deputy Minister of Finance Derrick Chitala, argued that there must be a compensating increase in the ADF. Negotiations on its replenishment get under way later this year. Kenya's Assistant Finance Minister Mathias Keah also pointed out that the new target is an indicative one which could change if circumstances, such as South Africa's accession, dictate.

But some African countries were also concerned, Mr. Keah said, that non-regional members were trying to take over the character of the bank. Reflecting this, Mr. Alhaji argued strongly for upholding the principle of voting in an institution where regional members have a majority was upheld at a time when non-regionals were perceived to be advancing the principle of decisions by consensus. A number of bank loans have been voted through over the opposition of one or more non-regional members.

Part of the concern of non-regionals was also that a higher level of lending would bring forward into 1992-96 the need for a capital increase of the ADB, last undertaken in 1987. Some donors expressed concern over non-payment of previous capital subscriptions. Unpaid subscriptions by 31 out of 51 regional members amounted to $88.9 bn at end-1991, over 7 per cent of the total due.

While this reflected the weak financial state of many countries, Mr. Ndiaye warned that it is the non-payment of capital subscriptions, more than anything else, that could endanger the Bank's credit rating. "In 1990 and 1991 ADB was the highest provider of net transfers to Africa, but yet some African governments give priority to the Bretton Woods institutions," he said. "More effective demonstration of commitment [to the ADB]" was needed from some regional members, Mr. Ndiaye said in his address to the annual meeting. At the same time, non-regionals needed to send "unequivocal signals confirming their support for Africa and the ADB." ■

Todd France

READEX

Rio summit puts desertification on agenda

Africans at UNCED disappointed with aid pledges, concerned over implementation

By Anne Shepherd in Rio de Janeiro

Africa emerged from the Earth Summit with a promise by the international community to work towards a specific convention on desertification, one of the continent's most pressing environmental concerns. Attention now focuses on ensuring African concerns will be taken up in the various follow-up arrangements to the 3-14 June UN Conference on Environment and Development (UNCED), designed to ensure that the summit's commitments are put into practice. These include work on the proposed convention and on restructuring and enlarging the Global Environmental Facility (GEF), which will be a major, but not the only source of additional funding for environmental projects. African countries have made a number of specific proposals on the GEF, the next formal meeting of which is scheduled to be held in Abidjan in December.

African delegates in Rio joined other developing regions in expressing disappointment at the low level of new aid commitments by the industrialized countries and the failure to agree a 2000 deadline for reaching the UN target for aid of 0.7 per cent of gross national product. Major donors are estimated to have pledged between $6-7 bn a year in additional funding to carry out the summit's ambitious programme of action, Agenda 21. This was below the $10 bn UNCED Secretary-General Maurice Strong had deemed realistic and far less than the $70 bn the UNCED Secretariat had estimated was actually needed.

"UNCED has achieved a lot," acknowledged Botswana President Sir Ketumile Masire, speaking for African countries at the summit's closing plenary. "It was historic in its importance, but, I regret to say, it has also failed in some respects."

Mr. Strong listed the summit's accomplishments: adoption of the 800-page Agenda 21, two international conventions on climate change and biological diversity, a non-binding statement on forest conservation and a general statement of environmental principles known as the Rio Declaration. Some of these had been weakened during the negotiating process, Mr. Strong conceded, and where there was agreement, it was "agreement without sufficient commitment."

UN Secretary-General Boutros Boutros-Ghali, while praising the conference as a step forward, nevertheless stressed at the closing plenary that "the current level of commitment is not comparable to the size and gravity of the problems."

Besides greater aid commitments, developing countries had sought improved and affordable access to "environmentally friendly" technologies. These were necessary, emphasized former Tanzanian president Julius Nyerere, to guarantee developing countries alternatives to the prevailing development strategies that not only degrade their own environments, but also threaten the global environment.

However, Northern countries were reluctant to commit funds for such technology

Nigerian Permanent Representative to the UN Ibrahim Gambari (left) discusses issues at the UNCED plenary with head of delegation, Foreign Minister Ike Nwachukwu.

Anne Shepherd is a London-based writer specializing in African affairs.

World Bank: easing poverty protects environment

In Africa and other developing regions, the greatest environmental hazard is poverty, affirms the World Bank. The Bank's 1992 *World Development Report*, focusing on the theme "Development and the Environment," makes a strong case for increased investment in projects and programmes that promote development and alleviate poverty, but which also safeguard and improve the environment.

"There is no way Africa can protect its soils or forests unless poverty is alleviated," says the Bank's Andrew Steer, principal author of the report. Priority concerns in developing countries include lack of clean water and sanitation (contributing to 3 million child deaths each year), air pollution and soil degradation. But the single most important step to ending the link between poverty and environmental degradation is better female education, which could help lower fertility rates and promote sounder agricultural practices.

The Bank estimates that losses from soil depletion alone can cost anywhere from 0.5 to 1.5 per cent of a country's gross domestic product. Environmental protection generally makes good economic sense, the Bank argues, although in some sectors trade-offs may be necessary.

Good environmental policies, according to the report, can involve both market-based measures (taxing or charging polluters, eliminating subsidies for industries that deplete natural resources, etc.) and "command and control" policies by governments to regulate economic activities that can harm the environment.

transfers, and the US refused to sign the biodiversity convention, citing its open-ended funding provisions and the harm its regulations could do to the interests of US biotechnology enterprises.

Many delegates believed that problems of debt and commodity prices were also not adequately addressed at the summit. As obstacles to environmental preservation, Tanzanian President Hassan Mwinyi cited "the compulsive pressure imposed on us to maximize export production and foreign exchange earnings to meet external debt service payments."

Desertification negotiations set

Despite disappointment with other aspects of the summit, the agreement to set up a negotiating committee for an international convention to combat desertification, "particularly in African countries," was seen as an important accomplishment. "It's a serious issue and a convention is the only way to guarantee resources to address it," Zimbabwe's Environment Minister, Herbert Murerwa, told *Africa Recovery*. Without it, UNCED "would have been a serious blow."

The issue of desertification had hardly featured in the preparatory 30 months of negotiations for UNCED, where the emphasis had been on issues of concern to the North, such as maintaining biodiversity and restricting carbon dioxide emissions, claimed Ghana's UN Ambassador Kofi Awoonor, who last year chaired the developing countries' Group of 77.

Botswana President Sir Ketumile Masire and Kenya's Wangari Maathai both spoke for Africa at the UNCED summit.

But African countries themselves had only pressed their case for a desertification convention part way through the preparatory process, and had not sought the support of other affected countries until Rio. "African countries should have got together earlier," Mr. Awoonor concedes.

Even then, the final agreement on the desertification convention only came through conference horse-trading. The US had initially opposed a convention on desertification, arguing that it was primarily a regional rather than a global concern. It then shifted its position in the hope of winning African support for its own proposals on preserving forests.

In doing so, the US (with other Western countries) mirrored the same argument put forward by Gambia for action on desertification, namely that the destruction of forests, as with expanding deserts, was of global concern.

Despite no agreement binding countries to ease the exploitation of forests, the desertification accord is to go ahead, however, with a deadline for finalizing a convention by June 1994. Some African countries, notably those afflicted by drought, would have preferred an earlier deadline, and others are wary of the bureaucratic tangles ahead. But all were satisfied that the issue of desertification had at last been definitively placed on the international agenda.

African leaders were also generally reassured by the summit's decision to establish a Commission on Sustainable Development,

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African NGOs speak out in Rio

By Carole Collins in Rio de Janeiro

Although African non-governmental organizations (NGOs) were relatively few in number at both UNCED and the NGOs' parallel Global Forum, they played their most assertive role ever at a world-level meeting.

Besides issuing their own hard-hitting "Rio Declaration on the Eradication of Poverty in Africa," they participated with other NGOs in producing 33 different NGO "treaties" on a wide range of issues from militarism and racism to food security, sustainable agriculture, debt and trade policy. Ms. Wangari Maathai of Kenya's Greenbelt Movement was chosen by colleagues from North and South as the sole NGO representative to speak at the heads-of-state summit.

Vivek Menezes

More than 120 NGOs from 33 African countries had been accredited to attend UNCED's preparatory and summit meetings, but because many of them could not afford the travel costs, less than 30 actually made it to Rio. In all, nearly 800 NGOs attended UNCED and nearly 8,000 people took part in the Global Forum.

Carole Collins reports for the US-based National Catholic Reporter. Colin Darch, of the Center for Afro-Asian Studies in Rio de Janeiro, contributed to this report.

Some NGO activists — such as Mr. Sam Moyo of the Zimbabwe Energy Resources Organization and Mr. Benjamin Makunzy Valerie of Angola's Humanitarian Programme for Orphans — worked as support staff or technical advisers for their country's official delegation. This reflected growing recognition by African governments that NGOs often have important environmental expertise and that most UNCED decisions will depend on NGOs for implementation.

The African NGOs' "Rio Declaration" attacks governments for lacking "the will to deal with the principal causes of environmental degradation," which it identifies as "militarization, over-consumption by the rich in the North and South, exploitative trade patterns and unfair and coercive monetary systems." It calls for a people's cartel to protect Africa's land resources and products, and demands that "resources wastefully spent on coercive birth and population control be invested in programmes for improving human welfare and the quality of life for the rural poor, especially women and children." It urges the creation of a special UN fund to help African entrepreneurs.

African activists also spoke eloquently of the importance of democracy in making their work more effective. "Just and democratic governments are prerequisites for good environmental policy," noted Ms. Maathai.

During the Rio meetings African NGOs helped launch several new global NGO coalitions aimed at influencing future international negotiations, including Earth-Action, a global lobbying initiative modelled in part on Amnesty International, and the Global Forum on Environment and Poverty, formed to push for an international convention on poverty. ■

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caused large crop losses in Morocco, the UN Food and Agriculture Organization has warned, while natural and political factors are causing severe food shortages in Liberia, Madagascar, Rwanda, Sierra Leone, Togo and Zaire.

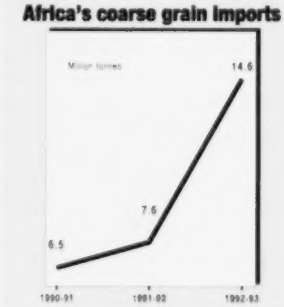
The scale of humanitarian needs will further strain already tight aid budgets. Most of the aid requested is in the form of food shipments, with some funding directed to meeting health and transport needs. It will help ease rising import bills, but international agencies argue that action is also needed to minimize the longer-term economic impact of the drought. The IMF has already supplemented Mozambique's enhanced structural adjustment facility (ESAF) by $21 mn and granted new credits for Lesotho to help compensate for the impact of drought. Additional funds could follow for other affected countries, such as Malawi and Zimbabwe.

Similarly, the World Bank in June approved $310 mn in loans for four Southern African countries — Malawi, Mozambique, Zambia and Zimbabwe. Further funding for the four could come from redirecting or accelerating disbursements from existing Bank credits and from additional bilateral sources.

If rains fall later this year, this strategy should cope with the situation in Southern Africa, Bank officials say, pointing to the underlying strength of most economies. But the situation is very different in the Horn, where there has been a slower donor response to emergency appeals and economies are weaker. A combination of civil war, political problems and disagreements over economic policies is both thwarting relief efforts in many areas and keeping the IMF and World Bank from marshalling longer-term economic assistance.

Only Sudan — where agricultural production is sharply up — is expected to show strong growth this year. For Kenya, economic growth in 1991 was already a disappointing 2.2 per cent, Vice-President and Finance Minister George Saitoti announced in his June budget, and could drop closer to 1 per cent this year, according to Nairobi sources, as the government battles economic and political problems. Drought is compounding this situation, adding to food import costs. Low water levels have already led to power shortages, shutting down factories and further raising the import bill as hydro-generated energy is replaced by oil.

Africa's coarse grain imports



Source: FAO *Food Outlook*, June 1992

While the Horn gives the greatest cause for immediate concern, it is the impact of drought on Southern Africa which has most dramatically altered the economic picture for Africa this year. Relatively fast growing economies like Botswana, Lesotho and Swaziland are all badly affected. Malawi, Zambia and Zimbabwe, which were expecting growth in the range of 2-4 per cent, have also been hit hard. According to government and World Bank estimates, Malawi's gross domestic product (GDP) could fall by some 4 per cent this year, Zambia's by over 6 per cent and Zimbabwe's by as much as 9 per cent.

Agricultural output has fallen by up to 60 per cent, and the IMF puts the cost of food imports alone for the region at between $800 mn-$1.2 bn. Prof. Green puts the cost higher, at some $1.75 bn, with an additional $500 mn in transport and distribution costs. Zimbabwe has announced a $946 mn Emergency Drought Relief and Recovery Programme. For Malawi, Mozambique and Zambia alone, the Bank puts drought-related financing requirements in 1992-93 at some $800 mn.

On top of food losses — and the consequent surge in import requirements — reduced crops for cotton, sugar and oilseeds will hit export earnings as well. In Zimbabwe, industrial output will be badly affected by a shortage of cotton for the important textile sector, threatening jobs as well as lost earnings. The government is moving to make foreign exchange available to firms to enable them to import cotton. This will further worsen the country's balance of payments — the current account deficit could climb close to $1 bn this

African growth: hope and reality

If living standards in Africa are to rise even minimally during the 1990s, economies have to grow by 4-6 per cent a year in real terms, the UN and World Bank argue. To date, however, African growth rates have been well below these minimal levels and, for sub-Saharan Africa, generally less than half the 6 per cent the UN believes is necessary. Current projections for 1992-93 suggest growth will still be below Bank or UN minimums. Worse still, past projections have been universally overly optimistic. The same fate is likely to beset those for 1992, particularly as none have captured the full economic consequences of the drought in Southern and Eastern Africa.

Growth estimates
(figures in brackets represent earlier projections)

	UN[1]		ECA[2]		IMF[3]		ADB[4]	W. Bank[5]
	All Africa	Sub-Saharan Africa+	All Africa	Sub-Saharan Africa	All Africa++	Sub-Saharan Africa	All Africa	Sub-Saharan Africa
1990	3.1 (3.0)	1.3	3.2 (3.0)	3.3	0.9 (3.3)	1.1 (4.0	3.5	1.6
1991	3.1 (3.0)	0.7 (3.0)	2.3 (3-3.5)	1.5	1.4 (3.2)	1.4 (2.8)	2.4 (3-3.5)	2.3
1992	3.5 (3.0)	2.0	3.6	3.6	2.7 (4.8)	2.1 (3.7)	3-3.5	3.4 (3.0)
1993	n.a.	n.a.	n.a.	n.a.	3.0	2.2	n.a.	3.5* (3.6*)

+ excludes Nigeria. ++ includes South Africa, excludes Egypt and Libya. * average annual growth forecast for 1990-2000
Sources: 1. UN World Economic Survey, 1989-92 2. UN ECA Economic Reports, 1990-92 3. IMF, World Economic Outlook 1989-92, 4. ADB,African Development Report, 1990-92, 5. World Bank, Global Economic Prospects, 1991-92

"Sub-Saharan Africa's limited stock of capital in equipment, infrastructure and human resources precludes any sharp improvements in living standards...By 2000, per capita gains in real income will be minimal for the region as a whole and may be negative in some countries."

World Bank, *Global Economic Prospects and the Developing Countries, 1992*

"Aggregate GDP growth in Africa is projected to pick up slightly in 1992 to around 3.5 per cent, but with sub-Saharan Africa growing by only around 2 per cent. The recent droughts may have dimmed the prospects further. Low prices for tropical beverages, metals and oil are expected to depress export earnings in 1992."

UN, *World Economic Survey, 1992*

year from last year's level of under $700 mn.

Rapidly rising prices are accelerating inflation rates, while jobs and livelihoods disappear as factories close and farms fail. Countries like Zimbabwe are beginning to experience increased migration to the towns as thousands flee the devastation in rural areas, only to threaten to overwhelm already inadequate housing, health and sanitation facilities.

Smallholder farmers

In many countries funding is geared to making sure that smallholder farmers have both the resources and the incentive to resume production quickly. Referring to Zimbabwe, where smallholders now account for 60 per cent of marketed maize, one official commented: "we must ensure this success story isn't put at risk." This strategy also includes greater emphasis on the provision of water. Zambia has already asked donors to fund a thorough review of the country's water resources with a view to developing more small-scale sources.

Bank officials say their latest fast-disbursing credits are to ensure that meeting the costs of the drought does not drain funds from ongoing adjustment efforts. But implementing tough adjustment measures is proving increasingly difficult and politically dangerous as the consequences of the drought further hit already precarious standards of living. Planned targets for reducing balance of payments and budget deficits — including those for parastatals — are being raised to reflect the need for increased spending. With inflation accelerating, plans to remove price controls are being delayed and reductions in subsidies slowed. In Zambia, for example, the last subsidy on maize — on roller meal — is to remain for the time being.

In Zimbabwe there has been strong criticism of the running down of the country's large maize stockpiles in recent years. Bank officials agree some strategic stocks are necessary, but argue that carrying stocks sufficient to deal with drought does not make economic sense. "A country needs financial reserves, not large grain reserves," one comments.

The Bank expects most economies in Southern Africa to show significant recovery in 1993, though the lingering effects of drought will mean that, at best, it will be 1994 before economies make up all the ground lost in the recent months.

Funding is coming through for most Southern African countries, though Malawi still faces some shortfall, in part because of donor concern over human rights issues. This is also true for Kenya, while disagreement over economic policies and civil unrest will prevent anything but the most basic emergency assistance going into countries such as Ethiopia, Liberia, Somalia and Zaire. Sudan has recently undertaken a series of economic reforms, including large devaluations of the Sudanese pound, but a combination of disagreement with the IMF on the size of the budget deficit and with bilateral donors over human rights issues is preventing most economic aid from going in.

Low and even negative economic growth, therefore, is likely to plague a significant number of African countries, while even for the more resilient economies of Southern Africa, the impact of drought effectively means two lost years in the battle for sustained growth. ■

Food aid lags behind massive need

By Ernest Harsch

With well over 40 million people in Eastern and Southern Africa suffering from famine conditions, international relief organizations are struggling to head off a human tragedy of massive proportions. Their efforts have been constrained, however, by late donor food pledges and slow deliveries. Already, reports of starvation deaths are mounting in Somalia, Ethiopia, Eritrea, Kenya and Mozambique.

While donor pledges have been generous, notes UN Under-Secretary-General for Humanitarian Affairs Jan Eliasson, much of the food has not yet arrived in some of the worst-affected countries. In parts of the Horn of Africa in particular, he notes, the food pipeline is "virtually empty."

Horn of Africa appeal[1]

	Emergency food needs ('000 tonnes)	Aid appeal[2] ($mn)
Ethiopia	517	130
Eritrea	280	69
Somalia	153	76
Sudan	374	142
Kenya	164.5	99
Djibouti	n.a.	2.6
Regional projects[3]	20	22
Total	1,510	541

1. For July-December 1992. 2. Includes transport and non-food emergency aid. 3. Special cross-border operations and projects for displaced peoples.
Source: UN Department of Humanitarian Affairs

During the first half of 1992, donors pledged some $575 mn in aid, in response to a UN appeal for $621 mn for the Horn of Africa. But continuing shortfalls and the worsening situation in some countries in the Horn prompted a new appeal in July for an additional $541 mn in emergency aid by the UN Department of Humanitarian Affairs, which coordinates UN relief operations.

Alongside the unfolding tragedy in the Horn, the drought emergency in Southern Africa also remains acute. "Without adequate assistance, a great mass of people in the region will rapidly face starvation and epidemics," warned UN Secretary-General Boutros Boutros-Ghali in late May, in launching an appeal for $854 mn in emergency aid to 10 countries in the region.

The appeal, issued jointly by the UN and the 10-member Southern African Development Coordination Conference (SADCC), came in response to Southern Africa's worst drought since the beginning of the century. South Africa, normally a major grain exporter in the region, has also been hard hit, although it is expected to cover its food shortfall through extra commercial imports. By early July, donors had already promised nearly $600 mn for the Southern Africa appeal, most of it at a 1-2 June pledging conference.

War and starvation in the Horn

In the Horn, some 23 million people are threatened by famine, largely caused by years of warfare and population displacements, but also aggravated by drought.

Starvation deaths have been reported in parts of southern Ethiopia and in other areas of the country. While pledges in response to the earlier UN appeal covered about three-quarters of Ethiopia's food needs, actual deliveries have been much lower, and further distribution has proved difficult. In the eastern and southern regions, convoys have been attacked and relief workers killed.

In Eritrea, where decades of war have at last given way to relative peace, the logistics

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UN plans broader outreach for Africa

Official spells out approaches for implementing the New Agenda

By Salim Lone

The UN will substantially widen its outreach as it prepares to fulfill its mandate to help promote economic recovery in Africa. Links will be strengthened with the World Bank, International Monetary Fund (IMF), and the Global Coalition for Africa (GCA), and especially with non-governmental organizations, which are inherently more flexible than governments or intergovernmental bodies. To help achieve these objectives, the secretariat for the UN's New Agenda for the Development of Africa in the 1990s (UN-NADAF) will be significantly larger than the one that served the 1986-90 UN Programme of Action for African Economic Recovery and Development (UNPAAERD).

The principal author of this strategy is Mr. Ahmedou Ould Abdallah, who was appointed by Mr. Ji Chaozhu, Under-Secretary-General for Economic and Social Development, to coordinate all UN activities flowing from the New Agenda, which was adopted by the General Assembly on 18 December 1991.

"We need to take a fresh look at a whole array of fronts if we are to meet the enormous challenge posed to us by the severity of Africa's economic and human crisis," says Mr. Ould Abdallah, Special Coordinator for Africa and Least Developed Countries in the Department of Economic and Social Development (DESD). "We need to move beyond the preoccupations with the standard, well-publicized issues like commodity prices, debt cancellation and external assistance, important as they all are. Tackling questions like more dynamic marketing of Africa's commodities, of devising acceptable debt reduction strategies, of increasing the market share of the continent's exports, and of promoting domestic and foreign direct investment should move up much higher on our list of priorities. And we need to extend the search for answers beyond the UN system, if we want to breathe new life into the African and international drive to overcome the continent's distressingly low economic growth rate," he argues.

To widen this support network for Africa, the formation of a group composed of individuals from a wide variety of institutions and professions is being contemplated. The group will serve as a steering committee making regular reports to the UN Secretary-General on the progress made, and measures needed to strengthen the implementation of the New Agenda.

Such active monitoring is required because the New Agenda "is not merely a set of principles, but provides a framework for pursuing the goals established by the General Assembly," declared Mr. Ould Abdallah, who was Mauritania's Ambassador to the US and then Foreign Minister before joining the UN.

The New Agenda makes clear that unless Africa adopts policies which will lead to an annual economic growth rate of 6 per cent, and donors provide assistance and loans totalling $30 bn a year and increasing by 4 per cent yearly in real terms, few gains will be seen by the continent's people. The New Agenda also makes recommendations for actions on easing the burdens of debt and commodity dependence, and promoting diversification.

Since these issues are already well established on the international agenda, Mr. Ould Abdallah says it is vital to come up with concrete and internationally acceptable economic and policy packages designed to tackle them. In addition, other important issues need to be identified which have international resonance and can help foster more widespread support for African development. These include excessive military expenditure, the expansion of the democratic process and the protection of human rights. "All of these are intrinsically linked to economic development," says Mr. Ould Abdallah.

"Democracy is a concept enshrined in every society, and at a minimum it includes respect for human rights, a free press and a multi-party system. Beyond that, we must be careful not to allow any particular notion of democracy to dominate this debate."

Mr. Ould Abdallah also discounts the notion of Africa's marginalization. "You are only marginalized if you accept to be marginalized," he quotes UN Secretary-General Boutros Boutros-Ghali as saying, and adds that if all African regimes enjoyed the self-respect that flows from being democratically elected, and if the continent committed itself to clear-cut, pragmatic, long-term policies, talk of Africa's marginalization would cease.

"African leaders need a more precise knowledge of the changes taking place in the international arena if the continent is to play a central role in today's rapidly changing world," says Mr. Ould Abdallah. "I fear that, as Susan George has said, many African governments are labouring under the illusion that their countries are more important in the scheme of things than they really are. Some also believe, incorrectly, that their legitimate concerns are taken into consideration by the industrialized

World Bank/Yosef Hadar

Better marketing of Africa's exports is vital if its market share is to rise.

countries. So while we should not underestimate the negative effects of these external factors, what is more important is that we Africans give priority to our own responsibilities."

Returning to his theme of new priorities, Mr. Ould Abdallah advocates more intensive study of international trade opportunities, as well as a sophisticated approach to marketing. He is confident of quick results in the form of increased market share and export income.

Ahmedou Ould Abdallah, coordinating activities in support of the UN's New Agenda for Africa.

"We have much better access to the European market, for example, through geographic proximity and the preferential trading terms that the Lomé Convention provides for ACP [African, Caribbean and Pacific] countries," contends Mr. Ould Abdallah. "There is no reason, therefore, why Europe should buy tropical products from distant, non-ACP countries."

African governments often have no choice but to be involved in production, but marketing is an area which can be safely entrusted to the more flexible private sector which, Mr. Ould Abdallah believes, is best able to take quick advantage of international market conditions.

Innovative approaches are also needed to exploit the potential of foreign direct investment, says Mr. Ould Abdallah, adding that African governments must create an appealing environment for investors. "Just look at what countries like Mexico and Pakistan have achieved quickly in attracting foreign capital with a few carefully targeted policy packages," he asserts. "Money has flowed to these countries, as it can to Africa as well."

Turning to Africa's debt repayments — now more than $25 bn a year — Mr. Ould Abdallah argues for careful examination of "the best mix of policies for reducing the debt burden." He is wary of pushing for outright cancellation, believing that donors feel such cancellations have not led to good management and accountability. Negative credit ratings have also come with debt cancellation and inhibited new borrowings. He urges creditors to pay more attention to the General Assembly's guidelines for debt reduction established in the New Agenda.

For their part, Africans need to devise packages addressing debt alleviation, better management, democratization and environmental protection. Africa's need for debt relief and external resources makes it vital to have good working relationships with the North's most trusted institutions, the World Bank and IMF, Mr. Ould Abdallah notes, pointing out that Under-Secretary-General Ji Chaozhu's first official visit outside New York was to the two institutions. Mr. Ji met both World Bank President Lewis Preston and IMF Managing Director Michel Camdessus, where the priority in the discussions was Africa.

"Mr. Ji asked both officials for assistance in the implementation of NADAF," says Mr. Ould Abdallah. "The objectives of the United Nations and those of the World Bank and the IMF are identical. Our emphases might vary a bit, but our common goal is to assist the continent's economic development. I see only complementarity and cooperation between the activities of all of our institutions."

African governments could also benefit significantly from the Global Coalition's international backing, Mr. Ould Abdallah asserts. "The GCA, however, needs to find a niche for itself, and focus on areas in which the United Nations and agencies such as the UN Development Programme, UNICEF and the Food and Agriculture Organization are not involved," he adds. "As a non-governmental organization, the GCA could have the flexibility and the freedom to take on issues intergovernmental bodies tend to avoid."

Mr. Ould Abdallah is very optimistic about the success of the New Agenda for Africa, saying "it is the only way out." He remarks that the new approach he is introducing proved effective in his previous assignment as Special Coordinator for new and renewable energy resources. He is also confident that Africa will muster the necessary political will to push the New Agenda forward, citing its adoption by the June OAU summit in Dakar as initial evidence. And in the High-Level Segment of the UN's recent Economic and Social Council debate, says Mr. Ould Abdallah, even non-African delegates pushed for the need to support African development.

Mr. Ould Abdallah concluded by stressing the need to continue the work of the UN's Department of Public Information on behalf of African recovery efforts, especially at a time when the international press is preoccupied with developments in other regions. ■

UN to set up new advisory group

The main UN vehicle for promoting the implementation of UN-NADAF will be a group to be appointed by Under-Secretary-General Ji Chaozhu. According to Mr. Ould Abdallah, this group of 15-20 people will not be limited, as under UNPAAERD, to UN officials, but will include academics, political leaders, journalists and representatives from the private sector.

"We must now reach out to the non-UN world to generate new ideas for implementing NADAF," says Mr. Ould Abdallah. "Nevertheless, all UN agencies have a vital role to play and I hope that the New Agenda will get full support from all the various arms of the UN in as non-bureaucratic a manner as possible."

The group will meet at least twice before the end of 1993, and it will present its recommendations to the UN Secretary-General. Mr. Ould Abdallah says the group will not pronounce on every subject of importance to Africa, but instead deliberate on selected themes with the help of background papers prepared by what essentially is the secretariat of UN-NADAF (headed by him), and by other bodies. The group will determine its own mode of operation. Mr. Ould Abdallah indicated that a similar group had worked extremely well for UN efforts on new and renewable sources of energy, and helped set up centres of excellence for research and study.

He expects the UN's Economic Commission for Africa (ECA) to shortly establish an Inter-Agency Task Force, as recommended by the UN Committee for Programme and Coordination. One of its first tasks will be the adoption of the UN System-Wide Plan of Action for African Economic Recovery, prepared by the relevant UN bodies and coordinated by the Department of Economic and Social Development in cooperation with the ECA.

Mr. Abdallah's own directorate will consist of three units covering areas highlighted by UN-NADAF. Two of these will track African and international efforts in implementing agreed programmes. A third unit will be responsible for publicizing and promoting UN-NADAF. Mr. Ould Abdallah has already held briefings for European Community countries on the follow-up to the New Agenda, and is doing the same for various groups at the UN, including the technical committees of the African group and of the Group of 77. An easy-to-read version of the UN-NADAF has also been printed and disseminated.

African reforms under the spotlight

Global Coalition urges support for democracy, economic change

By Ernest Harsch

Africa's efforts at democratic transition, like its economic reform programmes, must grow from within and cannot be imposed from outside, African leaders have warned. Participants at the 8-9 May second Advisory Committee meeting of the Global Coalition for Africa (GCA) in Kampala, which included five African heads of state, strongly urged donors not to impose specific political conditionalities on their aid.

While political and economic reforms needed to be designed by Africans themselves, participants reaffirmed the important role donors must play in supporting African undertakings, urging that this be widened to areas such as conflict resolution and the reduction of excessive military spending.

Many at the meeting hoped that the Coalition, which was formally set up in 1991, "will grow into becoming the focal point for policy dialogue between Africa and the international community on the most effective ways to reach consensus on mutually agreed development cooperation strategies for Africa," said Botswana President Sir Ketumile Masire, who is one of the GCA's three co-chairmen. In addition to President Masire, the four other African heads of state attending the meeting were Presidents Yoweri Museveni of Uganda, Abdou Diouf of Senegal, Nicéphore Soglo of Benin and Ibrahim Babangida of Nigeria. Organization of African Unity (OAU) Secretary-General Salim Ahmed Salim and World Bank Vice President for Africa Edward Jaycox also attended the meeting, with Dutch Development Cooperation Minister Jan Pronk, who is also co-chairman of the GCA. Former World Bank president Robert McNamara is the third co-chairman.

Support for democratic transition

Immediately prior to the Advisory Committee meeting, the GCA's sub-committee on governance and democracy held two days of discussions. The three African heads of state who took part — Presidents Masire, Soglo and Museveni — drew attention to democracy's rich traditions in African society and warned that it cannot be bestowed by leaders, but must grow from participatory roots and the freedom and civil responsibility of the individual.

Democracy, President Soglo said, must be carefully constructed through consultative and consensus-building processes, citing the example of his own country, one of the first to move to a multi-party system.

While democracy cannot be imposed from outside, the committee recognized the reality that donors were now directing more of their support toward countries they perceived to be serious about improved governance and democracy (see page 11). But to better reflect the view expressed by the African leaders, the sub-committee reversed its earlier terms of reference, which had stressed the role of external partners. It now emphasizes the primary importance of African civil society and fostering participation.

Democracy required that basic literacy and minimum economic and food needs were also met. There cannot be development without democracy, the participants noted, but similarly democracy will be meaningless without development and peace.

For the latter, there would have to be a strengthening of the OAU and other regional African institutions, including non-governmental organizations, if more effective resolution of armed conflicts in Africa was to be achieved. The GCA and OAU are planning to undertake a joint study on strengthening mechanisms for conflict resolution.

Senegal President Abdou Diouf (right) at the meeting in Kampala, with GCA co-chairman Robert McNamara (centre) and Executive Secretary Boubakar Diaby-Ouattara.

The sub-committee also urged the GCA to set some targets for reductions in military expenditure. A background paper to the Kampala meeting, prepared by Ms. Nicole Ball of the Washington-based Overseas Development Council, estimated that if African governments reduced their military budgets by half between 1993 and 2000, an additional $7.5 bn would be freed for spending on poverty alleviation, health and education and productive investment.

Nevertheless, it must be up to individual African countries to determine how much security they needed, African participants stated, while external actors should shift from being facilitators of arms transfers to partners in demobilization. Several African ministers, including from Mozambique, stressed their need for more resources to retrain former combatants. Donors, including Sweden and the UK, indicated a willingness to help.

Besides political reform, economic reform was another key issue in Kampala, and was

addressed at a different GCA sub-committee meeting prior to the main meeting. For economic reform policies to be sustainable, it concluded, the programmes should be designed, negotiated, implemented and evaluated by African governments themselves and a domestic consensus should be built in support of the reforms. Adjustment policies should also adequately address income distribution and poverty issues and give greater weight to the role of the private sector.

Uganda's President Museveni

The participants agreed that civil service reforms were generally needed to enhance efficiency and reduce the wage bill. To enable African countries to take better advantage of the large numbers of highly trained Africans within the continent and abroad, the sub-committee proposed that a register of African experts and institutions be compiled, through a collaborative effort between the GCA and the African Capacity Building Foundation, a joint initiative of the World Bank, African Development Bank and UN Development Programme.

Regional cooperation

The GCA decided to establish a new sub-committee on regional integration and cooperation, to be chaired by President Diouf. In collaboration with the OAU, African Development Bank, UN Economic Commission for Africa, European Community, World Bank and African and donor governments, it would help prepare a programme of action, focusing on the creation and organization of regional markets. Some delegations, however, expressed concern at the amount of time and effort the GCA should devote to regional integration, since there are many preliminary issues that only Africans can address at the political level. Others also warned that the GCA should not dilute its effectiveness by taking on too many topics, but concentrate on the priority areas identified at the first Advisory Committee meeting in Paris last year: governance, democracy and conflict resolution; sharing of experiences of economic reform programmes; environment, population and agriculture; and regional integration.

GCA co-chairman Robert McNamara introduced a discussion on the problems posed by Africa's high population growth rates, arguing that while most governments officially endorse programmes to reduce fertility rates, most have failed. If levels of contraception use were increased from a country average of 11 per cent in 1990 to 45 per cent in 2000, Mr. McNamara estimated, Africa's population would be 1.3 billion by the year 2050, rather than the 1.6 billion projected on the basis of current growth rates.

The discussions revealed some disagreement over statistics on population levels and growth rates, but also broad agreement on the general trend and its implications, particularly as a factor causing Africa's rate of social and economic advancement to lag behind that of all other world regions. African governments that have not already done so were urged to set up National Population Councils to formulate population programmes.

For the next plenary meeting, President Masire has written to the government of Japan suggesting a possible merger with Japan's high-level meeting on Africa, slated for Tokyo in 1993. ■

Growth of conditionality attacked

By Roy Laishley

There is growing concern over the proliferation of strings which are being attached to aid. To the ever tough economic conditionalities required by the IMF and World Bank, bilateral donors are increasingly adding to proposed aid flows performance criteria in such areas as political reform, human rights, reduced military expenditure, poverty reduction and environmental safeguards.

Not only African governments are concerned about the nature and sheer practicality of enforcing such conditionality effectively and equitably. Following on directly from the Kampala meeting, the World Bank's Edward Jaycox expressed his concern during the annual meeting of the African Development Bank (ADB) that political conditionality could become "irresponsibly intrusive." The Bank continues to stress the need for good governance where it has an impact on economic development, but this does not extend into the politics of borrowing countries, says Mr. Paul Isenman, member of the Bank task force that produced a recent report on *Governance and Development*.

The use of aid to foster democracy and human rights may have reached its limit.

Jan Pronk

In April Dutch Development Cooperation Minister Jan Pronk told a conference in The Hague that while the range of conditions was getting "broader and broader...there were limits on conditionality." Donors must prioritize, he said. And while the need to improve human rights was his own top condition, he conceded that the use of aid to foster democracy and human rights "may have reached its limits."

Donors, however, continue to make aid conditional on improved performance in both — though they deny any desire to impose a particular political system. In May, the donors' group gathered by the World Bank declined to give further assistance to Malawi until more progress was made on human rights issues. Only emergency assistance — and then less than was requested — was granted though the Bank is continuing to lend. Earlier in the month donors, while pledging some $850 mn for 1992-93, warned Uganda that future aid commitments would be influenced by efforts to avoid human rights violations and continued progress on constitutional reforms.

Both meetings followed the precedent set by donors last November when they withheld funds to Kenya for six months in anticipation of progress on the political front. By June sufficient progress had still not been made to enable donors to reconvene a meeting to discuss new aid, though Kenyan officials say talks on aid disbursements have been held with bilateral and multilateral donors.

At the ADB meeting in Dakar, Kenya's Assistant Finance Minister Mathias Keah warned that the donors' policy of withholding aid could prove counter-productive, with the consequent shortage of funds slowing down reform efforts on both the economic as well as the political front. Former Nigerian Finance Minister Alhaji Abubakar Alhaji also pointed to the contradiction of donors requiring costly political reforms at the same time as demanding deep cuts in public expenditure. As Zambia's Deputy Minister of Finance Derrick Chitala pointed out, "democracy is a damn expensive thing." ■

Blueprint against poverty

In April the World Bank published its* Poverty Reduction Handbook and Operational Directive. *Bank President Lewis Preston, introducing the Handbook, said that "sustainable poverty reduction is the overarching objective of the World Bank. It is the benchmark by which our performance as a development institution will be measured." The task now, he said, is to ensure that such a strategy is effectively implemented.

Addressed primarily to World Bank operational task managers, the Handbook is a practical guide on what policies most effectively reduce poverty and how to implement them. It includes chapters on identifying and measuring poverty and on the impact on poverty levels of specific economic policies, including budgetary expenditures in different sectors. Other chapters discuss how to design country assistance programmes so as to explicitly target poverty, and the implications of poverty reduction strategies both for the Bank's own lending policies and for its cooperation with other international donor and development agencies.

By Reginald Green

The World Bank's publication of its *Poverty Reduction Handbook and Operational Directive* is welcome on two counts. The reaffirmation that overcoming poverty is a priority goal and a central focus for government action has now been backed by the bureaucratic means to ensure it is taken seriously. The content is sensible, sensitive and, above all, is based on the acceptance that, to date, structural adjustment has largely failed to reduce poverty or seriously improve the social situation in sub-Saharan Africa. The Handbook has the potential to provide a breakthrough for the operational conceptualization of strategies and policies — and the allocation of resources — in participation with poor countries and poor people. But there is an urgent need for a more user-friendly version for national and local programme and policy-designers in Africa.

UN/Mirjon Grant

Poor households and marginalized groups need greater access to job opportunities, including inputs for self-employment.

The Handbook rightly focuses on the need for more — and more productive — employment opportunities, including self-employment, which are accessible to the poor. It tries to set out how to ensure such access, and stipulates the investment in human development and infrastructure which is a necessary part of this task.

In doing so, the Bank stresses the importance of ensuring that poor households and marginalized groups participate in such programmes. This is a coherent and logical approach which implicitly accepts that growth alone is not enough and that poverty reduction cannot be achieved simply by specific, piecemeal, add-on projects.

Safety nets

But the Bank's focus is frequently fuzzy. The concept of buying off 'victims' of adjustment through safety nets may not have much to do with priorities for poverty reduction and has frequently bedevilled attempts to set strategic, overall priorities. The focus on projects — as opposed to programmes — also reinforces the built-in tendency for experts to upgrade proposals conceived of as being broad-access/low-cost into conventional high-cost/low-access projects, not very relevant to poverty reduction.

There is an unfortunate tendency to include the poor, at the cost of excluding the non-poor, despite a realization that for basic human investment and infrastructure, the goal is universality. True, poor households may need special assistance to gain access. But, except for safety nets, excluding the non-poor is rarely the basic problem in devising policies for reducing poverty. The main barrier to including the poor is the overall shortage of relevant resources — of primary school places, for example, or pumps for simple wells.

Participation

The Handbook's commitments to participation, decentralization and a competent, efficient and committed public service are rather strong. Its caveat, that user initiatives often need technical back-up and decentralization to levels at which no such capacity exists, are reasonable, perhaps even understated. But calls to plan and manage — and to research where it is worth bothering with this approach — carry a different message. So for that matter does the Bank's own highly centralized mode of operation, which interacts uneasily with national, let alone local governments or poor people and communities. The case studies of successful non-governmental organizations (NGOs) are of domestic, broad membership, civil society bodies. Yet in some countries, the Bank pushes foreign, elite NGOs which, at best patronizingly use, and at worst are antagonistic to, such local bodies.

On the vexed question of civil service pay, a clear issue is not faced. Current monthly emoluments are not efficient. Self-employment, the private sector and donors all pay more and erode national capacity by pulling out the most able and innovative people. The need to preserve macro-balances is said to prevent more plausible pay levels. But the real reason is the lack of fungibility in foreign funding — $100,000 is usually readily available to place an external technical assistance expert, but not the $4,000 towards an agreed, interim national public service pay structure that would keep the national in place and would enable capacity-building to replace capacity-erosion.

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Improved 'global governance' demanded

More democracy needed in IMF/World Bank, says UNDP report

International institutions, such as the World Bank and the International Monetary Fund (IMF), and the UN itself, have failed to check economic trends or reform markets that favour the wealthier countries and the rich in all countries, to the disadvantage of the poor, the UN Development Programme (UNDP) argues in its latest *Human Development Report*. "The existing framework of global governance is weak, ad hoc and unpredictable," it says, "with international economic decision-making dispersed over numerous institutions and forums, mostly dominated by the rich countries, leaving developing countries powerless and vulnerable."

Calling for major reforms, the report argues that the UN system should be restructured so that it no longer plays a "peripheral role in global economic management," but takes greater responsibility for development policy formulation. The report suggests the establishment of a new "Development Security Council" which would seek to design a global policy framework in all key economic and social areas.

Focusing for the first time on the international dimension, the third *Human Development Report* finds that because commodity, labour and financial markets "are neither free nor efficient," developing countries lose about $500 bn a year in real or potential earnings — or ten times what they now receive in foreign aid.

Despite the World Bank's original mandate to borrow from the savings of rich nations to lend to the poorer countries, the Bank "has done little to recycle global surpluses to deficit nations," the report says. It proposes that the Bank take on the role of an "international investment trust," selling bonds to surplus nations and lending the proceeds to developing countries.

To ease pressures on the World Bank's concessional arm, the International Development Association (IDA), the report suggests that the Bank set up a new loan window. This new facility would lend on intermediate terms, between commercial and no-interest rates, to countries such as India and Pakistan which are deemed ready to "graduate" from the IDA's concessional terms but not yet able to borrow on the tougher terms of the Bank itself. Such an arrangement, the report argues, would allow the World Bank to concentrate its IDA resources on Africa.

The IMF, according to the report, has also been unable to meet its original mandate of maintaining monetary stability and resolving payments imbalances in an equitable fashion, largely because it cannot exert authority over the rich industrial nations. Moreover, because of repayments on IMF loans, the developing countries, including those in sub-Saharan Africa, have been transferring resources to the Fund. The IMF needs a fundamental restructuring, the report argues, enabling it to negotiate adjustment policies with both surplus and deficit countries, protect indebted countries from any sudden liquidity squeeze and eventually evolve into a world central bank.

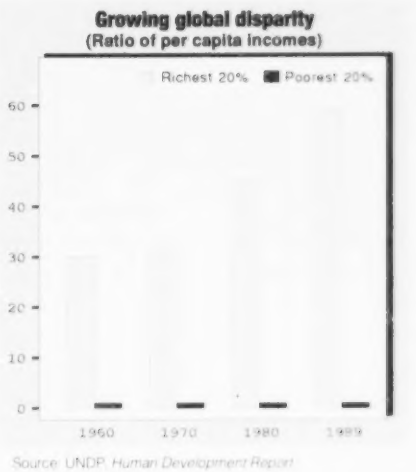
Developing countries need to have a greater say in both institutions, the report says. "If the World Bank and the IMF are to encourage participatory styles of development, they must also address some fundamental issues about democracy in their own management structures."

"It is ironic that while national markets are opening, global markets remain restricted. Where can developing nations sell their products unless global markets are also freed of protectionist restraints?"

William Draper

One consequence of the lack of effective management of the world economy is the persistence of enormous disparities in incomes and living standards, stresses the report. By 1989, countries with the richest 20 per cent of the world's population had per capita incomes some 60 times greater than those with the poorest 20 per cent (see graph). Human development has been particularly severely affected in Africa, which accounts for 18 out of the 20 lowest ranking countries in UNDP's Human Development Index.

Global market restrictions have also contributed significantly to the widening gap between rich and poor countries. Twenty out of 24 industrialized countries are now more protectionist than they were 10 years ago, the *Human Development Report* notes. "It is ironic that while national markets are opening, global markets remain restricted," states UNDP Administrator William Draper, in a foreword to the report. "Where can developing nations sell their products unless global markets are also freed of protectionist restraints?"



Source: UNDP, *Human Development Report*

Access to Northern labour markets is especially tight, the report emphasizes. Developing countries would earn at least $250 bn more annually in remittances if rich countries eased immigration barriers against the entry of foreign workers. While unskilled workers face the greatest restrictions, skilled workers are often accorded preference, contributing to the "brain drain" from the South to the North. Africa has lost a third of its skilled people to Europe, the report finds.

To counter such adverse trends and free up more resources for economic and human development purposes, the UNDP proposes a four-point strategy:

- Open up global markets, especially for developing countries' exports.
- Strike a new global debt bargain to halt the current net transfer of $50 bn a year from developing to industrial countries.
- Reform foreign aid. Two-thirds of all aid should go to the poorest countries and at least one-fifth should be allocated to human development priority areas which now receive only 7-10 per cent of aid.
- Reduce military expenditures by 3 per cent a year through the 1990s, which would free up an additional $1,200 bn in the industrial nations and $300 bn in developing countries.

At the same time, argues Dr. Mahbub ul Haq, chief author of the report, developing countries must also pursue their own reform efforts. "Global environment should never be used as an alibi for domestic inaction," he says. ■

Currency devaluation saps Nigeria

By Elizabeth Obadina in Lagos

The shock-waves from the 41 per cent currency devaluation in Nigeria last March are still being felt by producers and consumers in sub-Saharan Africa's biggest economy. On 8 March the military government slashed the naira's official exchange value to 18 to the dollar from 10.56 and abolished the six-year-old auction system.

The immediate effect was to dramatically raise local production costs. Prices for food and other essentials rose dramatically and, in an unfortunate piece of timing, major refineries closed for overhauls, leaving this oil-rich country short of petrol. With living standards already hard hit by six years of austerity and tensions running high as the country moved towards the return of civilian rule, rioting broke out in May.

Public criticism of Nigeria's tough Structural Adjustment Programme (SAP) has been strong ever since it got under way in 1986, and has mounted further with the latest devaluation. "The riots were a direct consequence of the devaluation," argues Mr. Lasisi Osunde, secretary-general of the Nigerian Labour Congress. He claims that the "SAP has brought nothing but misery to ordinary Nigerians."

The government insists the devaluation was necessary to protect the gains of the SAP. Since 1988, the Nigerian economy has grown, on average, by over 5 per cent a year, in sharp contrast to the average 3 per cent fall in output in the first half of the 1980s. The haemorrhaging of the economy then as balance of payments deficits ran out of control and capital flight mounted has been stemmed, although by no means reversed. Compliance with International Monetary Fund (IMF) programmes has also facilitated more orderly, though still difficult, scheduling of debt payments.

A systematic revision of the exchange rate, which has seen it shift from a grossly overvalued parity with the US dollar in 1985 to N9.9 at the end of 1991, coupled with trade liberalization and the privatization of state enterprises, has offered the prospect of a more dynamic and competitive economy, providing a springboard for sustained and more diversified growth in the 1990s.

The devaluation, government officials argue, was undertaken to instill sanity into a financial system that had gone haywire because of the unscrupulous activities of some businessmen and bankers who took advantage of the liberalization policies. Vice-President Augustus Aikhomu said the March foreign exchange reforms were a "shock treatment...necessary in order not to continue to unwittingly encourage a society in which the rich continue to be richer and the poor poorer."

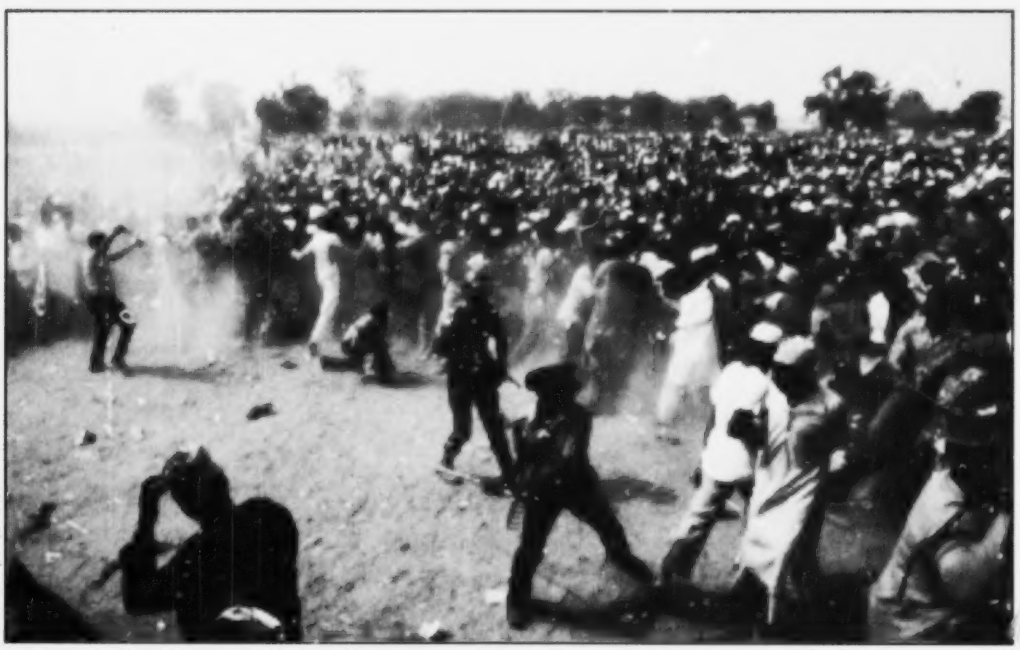
Round-tripping

The crux of the problem was a system of allocating scarce foreign exchange which enabled people to take advantage of the differential between official and market rates for the naira. Under the old system the Central Bank of Nigeria (CBN) allocated naira under pre-set quotas to banks at a weekly auction at rates which were determined by the weighted average of the highest bids from these banks.

Banks and others who gained access to this foreign exchange could then make a profit by selling the foreign exchange for the higher naira rates prevailing at the bureaux de change, authorized since mid-1989, and in the black market. The naira from these transactions could then be used for purchasing further foreign exchange at the lower official rate.

With big profits to be made from such "round-tripping," there has been an explosion of new banks in Nigeria, many of them dependent solely on foreign exchange transactions. By March some 120 banks were bidding at the official auction compared with about 40 when the auction was first set up in September 1986.

The growth of this market for foreign exchange had pushed the gap between the official and parallel rates ever wider — up to N8 — making this probably the most lucrative business in the country after oil. It also led to a public



W. Campbell/SYGMA

Police controlling a rally during the last period of civilian rule. Popular discontent with SAP could affect the pace of reform after the scheduled return to civilian rule in January 1993.

Elizabeth Obadina is a freelance correspondent based in Lagos.

outcry. "Too many ingenious kleptomaniacs are feeding fat on foreign exchange deals...they have to be removed from the scene," the state-owned *Daily Times* said in an editorial.

The 60 per cent differential between official and parallel rates was also playing havoc with exchange rate policy, fuelling instability and undermining any incentive to domestic producers from a more competitive environment.

In early March the government acted by abolishing its auction system and selling its hard currency at prevailing market rates. Martin Saxby, executive director of local Savannah Bank, described it as "the most major and radical move in at least a decade." By June, CBN spokesman Tony Ede could claim that the new foreign exchange system had "succeeded in eliminating the rent seekers and the touts who were in the market for the round-tripping." Since March, the naira has officially sold for around N18.55 to the dollar, while rates in the bureaux de change have been only marginally higher, at around N19.2.

Nigeria had been under pressure from creditors and the IMF and World Bank to streamline its multi-rate foreign exchange system and to stop subsidizing what was perceived as an artificially high exchange rate for the naira. In late-1991, the IMF refused mid-term approval for the 15-month standby agreement of January of that year, partly due to the wide gap between exchange rates, and also its concern over public spending levels.

The rising cost of the dollar
(Naira per US $)

Source: International Monetary Fund, yearly average

The latest devaluation is likely to reduce capacity utilization, inhibit investment and force factory closures, says the Manufacturers' Association of Nigeria.

Maintaining reform

This year the government has been in further discussions for a new Fund programme which former Finance Minister Alhaji Abubakar Alhaji saw as vital to maintaining the pace of economic reform through the transition to civilian rule scheduled for 2 January 1993, and beyond.

Better management of foreign exchange has been essential for Nigeria's adjustment programme. Hard currency earnings have fallen by half from the levels prevailing in the early 1980s. The relative shortage of foreign exchange was aggravated by high debt service payments on the $30 bn external debt, which, despite rescheduling, has taken up 30 per cent of export receipts in recent years.

Since the establishment of the first auction in September 1986, Nigeria has gone through three foreign exchange systems in an attempt to find an orderly means for regulating the naira. Despite some short-term successes, the pressures of an import-dependent economy where demand for hard currency outstrips its supply, have frustrated these efforts.

Private sector organizations say poor government management, particularly of the financial sector, has undermined its economic adjustment programme. In particular, they argue that it should have acted earlier to check the distortions in the foreign exchange system. For much of 1991, when the rate was around N9.5 to the dollar, the gap with the parallel market averaged N3. This was sufficiently wide for President Ibrahim Babangida to warn, in his January 1992 budget speech, that the gap was "unhealthy for the economy and can no longer be tolerated."

President Babangida told the *Daily Times* after the March devaluation that his administration did not act earlier because of complaints from manufacturers that the already high cost of foreign exchange was crippling industry. Some bankers claim, however, that the government found it politically expedient to have a relatively strong naira. In August 1991, the CBN intervened to shore up the naira when it reached a then record-low of 11.86 to the dollar.

But underpinning this pressure on the exchange rate was government spending which helped to increase the demand for foreign exchange. Over the past two years private sector groups have urged the government to cut its spending on non-productive sectors, saying budget deficits had fuelled inflation and weakened the naira. The CBN said in its latest annual report that the budget deficit rose by over 80 per cent in 1991 to a record N35.3 bn, against a planned surplus of N100 mn.

Apparent stabilization of the naira, however, has not brought much satisfaction. In part this is because of the resulting surge in inflation. Bankers say the annual inflation rate, running at 30 per cent before devaluation, is now moving towards 60 per cent.

Demand for official foreign exchange has now fallen, which government officials say reflects more rational use of scarce resources. But producers say it points to a further slowing down of the economy. Import-dependent manufacturers say the cost of hard currency is now at unaffordable levels.

The Manufacturers' Association of Nigeria (MAN) said the currency reforms were likely to reduce capacity utilization, inhibit investment and force factory closures. It urged the government to curb inflation, reduce its spending and stabilize the exchange rate at no more than N15 to the dollar. "Unless measures are taken along [these] lines, the manufacturing sector in particular, and the economy as a whole stands in danger of collapse," it said recently.

Mr. Charles Adiukwu, president of the Money Market Association of Nigeria, said because of the devaluation some businesses now prefer to buy hard currency from the parallel market in an effort to avoid delays and extra costs.

Manufacturers' concern

Manufacturers, who support adjusting to the free market in principle, complain that the government's handling of foreign exchange tends to favour traders who can more easily pass on increased costs to customers. "A structural adjustment programme that does not encourage production is no good to anyone. The whole foreign exchange mechanism has to be reviewed," MAN's acting director-general Uzor Okeke argues.

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Cameroon: from oil boom to recession

Once a relatively prosperous, middle-income, oil-exporting country, Cameroon has experienced rapid economic decline in recent years. Economic growth has plummetted along with world prices for its main agricultural exports. The country continues to face a payments crisis at home and abroad as efforts at structural reforms struggle to translate into increased investment and higher output. The adjustment programme is set to continue against a backdrop of rising social tensions, fuelled by mounting unemployment and the uncertainties of a troubled period of political transition.

By Jonathan Derrick

Since its heady oil-boom years ended in the mid-1980s, Cameroon has been in a deep recession with few signs of recovery despite a series of difficult adjustment reforms. The government continues with a restructuring programme aimed at cutting costs and increasing productivity in both the public and private sectors, but growth has continued to fall sharply, with key areas of the economy in varying states of distress.

The payments crisis faced by the government in the last three or four years will be only modestly eased by the rescheduling of $1.1 bn of official bilateral debts agreed at a Paris Club meeting in January this year. Cameroon's debt-service payments are still set to rise sharply in the period to 1995, the World Bank says. With creditor demands high, the government can offer Cameroonians only more belt-tightening in the absence of other means to quickly generate higher revenue.

Cameroon at a glance: 1990

Population	11.8 million
Population growth rate	2.9%
GNP per capita	$960
Currency	CFA franc 272=US$1
Gross domestic product	CFA3,159bn ($4.5bn)
of which: agriculture	27%
manufacturing	13%
Total external debt	$6 bn
Debt service ratio	21.5%
Life expectancy	55 years
Infant mortality rate	90 per 1,000 births
Adult literacy rate	54%

Source: World Bank, IMF, Banque de France, UNICEF, UNFPA

Oil had boosted Cameroon's foreign earnings in the 1980s, helping to raise per capita gross national product to just under $1,000 by 1989, nearly three times the sub-Saharan average. In the same period, however, a combination of domestic and external factors sowed the seeds of a budgetary and external payments crisis.

While the civil service more than doubled in size, investment in diversifying a commodity-dependent economy was shrinking, along with productive job-creation. Revenue collection was also falling steadily due to administrative weaknesses that facilitated customs and tax evasion. And in a period when capital flight surged, and external debt nearly doubled, Cameroon suffered a massive decline in its terms of trade — the 1988-89 index was down to a third of its mid-1980s level and fell again in 1990.

The external picture remains bleak for Cameroon. World prices for coffee and cocoa continued to fall during the first part of 1992, with no immediate prospect of any sharp upturn. At the same time, past cuts in prices to farmers could hit future export crop production hard. And although oil remains vital to the economy — it contributed an estimated 54 per cent of total revenue in 1990— production levels are falling. Cameroon is expected to become a net importer of crude before 2000, with known recoverable reserves likely to be exhausted by 2010. Efforts at expanding production of timber, bananas and rubber, despite some successes, are not expected to compensate for the fall in revenue from traditional exports in the short run.

After four years of growing austerity, Cameroonians are being asked to make more sacrifices. The government's current agreements with the International Monetary Fund (IMF) and the World Bank require tighter control of public spending along with stricter measures for revenue generation in the 1992/93 budget. This could mean job losses in the civil service, while the new interest in cost-recovery could also spell the end of free education and health services.

Faced with mounting pressure on its external payments, the government needs the IMF's seal of approval on its macroeconomic policies. Not only would this free the disbursement of a second tranche of the $39 mn credit approved by the Fund last December, and the third and final tranche of the World Bank's $150 adjustment loan made in 1989, it would also ensure continued financing from bilateral creditors.

However, a volatile mix of social and political factors continues to slow the pace at which the government implements the tough and politically sensitive policies required by its creditors. Reform measures are estimated to have already cost over 60,000 jobs in the public and private sectors, besides cutting incomes of cocoa and coffee farmers. And repeated delays in paying salaries and scholarships have continued to fuel labour and student unrest in a period of widespread agitation for full democratization.

Political transition

Last year was particularly turbulent, marked by sometimes violent confrontation between the government and opposition movements. This included the "ghost towns" campaign that brought months of stoppages to work and trade in major cities, including Douala, the economic hub of Cameroon through which nearly all the country's imports and exports pass. Although progress was made in the political transition programme when parliamentary elections were held in March this year, the ballot was boycotted by two major opposition parties, resulting in latent political tension in the anglophone North-West and South-West Provinces. Political uncertainty could therefore continue until the presidential elections scheduled for 1993.

Unlike most sub-Saharan countries, Cameroon has maintained a trade surplus since the mid-1980s, while experiencing a deepening budgetary crisis.

However, an accurate picture of Cameroon's budgetary problems has been difficult to obtain given the long-held practice of putting all oil revenues into secret, extra-budgetary ac-

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counts — the *comptes hors budget*, or CHB. In March 1991, then Prime Minister Sadou Hayatou defended the CHB policy — all countries have similar special accounts, he told an interviewer — and disclosed that total oil revenue in the 1990/91 budget year was CFA 250 bn francs ($918 mn) of which the state took CFA 120 bn. The French Treasury's *Franc Zone Report* for that financial year, however, estimated oil export revenue alone at some CFA 305 bn.

Cameroon's budgets have fallen from CFA 800 bn in 1986-87 to under CFA 600 bn in 1991-92. Balanced on paper according to franc zone rules, these budgets have masked increasing shortfalls in revenue collection and a buildup of arrears on both domestic and external payments. At the same time, capital flight has continued to pose a major problem, rising fourfold between 1982 and 1988 to CFA 128 bn, before falling back to CFA 109 bn in 1990.

Stabilization and Economic Recovery Minister Roger Tchoungui.

This leakage is facilitated by Cameroon's membership of the franc zone, the strong CFA currency of which is backed by France. While membership has had some major advantages for Cameroon — very low inflation being a notable one — there have been some striking disadvantages.

As in Côte d'Ivoire, Cameroon found that with dollar-denominated commodity prices tumbling in recent years, domestic producer prices began to exceed export prices, and government arrears mounted on payments to farmers, banks and exporters. Prevented by franc zone policy from taking the devaluation option, the recommended response was to slash producer prices of its main agricultural exports. In contrast, devaluation enabled Ghana, also hit by falling cocoa prices, to raise nominal producer prices at the same time as it realigned domestic and external prices.

France and African franc zone members remain resolutely opposed, in public, to devaluation, reaffirming this position at their April 1992 meeting, held in Yaoundé. Faced with falling commodity prices and a mounting debt burden, Cameroon and fellow franc zone countries committed themselves to greater austerity, particularly in controlling spending and increasing their fiscal receipts, in pursuit of economic recovery.

Central to government plans is recovery in the financial sector, whose crisis in the late 1980s reflected the general state of the economy. Many banks were simply running out of cash as debt-burdened parastatals and other parts of the huge public sector drained money out of the system. The weight of bad loans, running into hundreds of billions of CFA francs, forced a number of banks into closure. Three US banks — Chase Manhattan, First Boston and Bank of America — closed their opera-

Tough policies required for recovery

Cameroon's process of political transition has been a notable factor in the government's failure to meet targets in the current adjustment programme, declared Mr. Roger Tchoungui, minister in charge of stabilization and economic recovery, in a written interview with *Africa Recovery*. He specifically mentioned the impact on revenue collection of the "ghost towns" campaign mounted by opposition political forces last year which led to months of stoppages in major cities.

Despite continued social tensions, the government remains committed to rigorous demand management for both the public and private sectors. This was the only way the government could reverse the fall in non-oil revenue, generate budgetary surpluses, and defuse the "explosive" growth of its external debt burden, Mr. Tchoungui argued.

He acknowledged the government's substantial arrears on both domestic and external payments, adding that financial and other public sector enterprises had shown an "extreme dependence on government subsidies," and that their management had been "defective."

Cost-control was now the watchword in efforts to restore productive sectors and develop a more competitive economy. This cost-consciousness, said Mr. Tchoungui, had also influenced the current revision of the Labour Code as well as the performance contracts that now guide many state-owned and parastatal companies.

He announced the imminent start of the long-expected restructuring of government ministries. An initial group of eight ministries — including finance, planning, trade and industrial development, education, and health — will be evaluated by six firms of consultants the government selected (with World Bank agreement) in April this year. The consultants will then propose maximum staffing levels according to a methodology supplied by the World Bank. Once these evaluations begin, a second group of ministries and consultants will be selected.

Another key element in recovery plans is restructuring the public sector. Up to a third of state enterprises could be privatized "in a few years' time," according to Mr. Tchoungui. Only three of some 20 definite candidates have so far been fully privatized, with six others on the market and evaluation studies under way on others. He signalled that opportunities also exist for partial privatization, as has been done with the Cameroon Development Corporation's banana and tea operations.

According to the minister, more than 50 non-viable and non-strategic firms had been liquidated to date (22 of these within the past four years). Further liquidations could occur, but the current number will not "increase significantly in the near future," he said.

Another strategic decision was to take the public sector holding company, the Société nationale d'investissement (SNI) off the privatization list and redefine its role. The first task, however, was to "restore its credibility," said Mr. Tchoungui. This meant settling its large debts to suppliers, restructuring its holdings and then cutting its staffing to an appropriate size.

On the redefined role, the government had decided that a slimmer SNI could become an efficient investment vehicle for implementing its industrialization policies, providing both financial and technical support for private sector initiatives. Mr. Tchoungui pointed out that the government remained committed to private sector growth, particularly to support its efforts at job-creation.

Nii K. Bentsi-Enchill

tions, adding to the growing flight of capital. In the case of the local branch of the Bank of Credit and Commerce International (BCCI), closure occurred after the collapse of the parent bank, badly disrupting the country's trade at the time.

In this environment many Cameroonians ceased to use the banks altogether and resorted to the *tontines*, traditional savings clubs that give members rotating access to substantial and interest-free credit.

Reforming the financial sector

Urgent measures were needed to restore confidence and put the country's banks on a sounder footing. The government, therefore, drew up a CFA 450 bn restructuring programme for the sector, financed by France, the World Bank, the African Development Bank, and the Banque des Etats de l'Afrique centrale (BEAC). This was aimed at liquidating insolvent banks and consolidating the viable aspects of the others. Alongside these efforts, a special debt collection body, the Société de recouvrement de créances, was set up, initially for one of the liquidated state-owned banks. But its operations had to be extended to other banks in view of the growing burden of irrecoverable bad loans.

Although "non-performing" loans still amount to about 40 per cent of total credit, government and Washington officials were declaring by mid-1992 that the banking sector's restructuring programme was virtually complete. A number of banks had disappeared (Paribas Cameroun, Cameroon Bank, Société camerounaise de banque, Banque camerounaise de développement). And new banks were beginning to emerge, such as the Banque agricole du Cameroun, and Amity Bank Cameroon, while Luxembourg-registered Meridien Bank has taken a majority share holding in the local branch of Banque Internationale pour l'Afrique Occidentale (BIAO).

Reviving the banking sector is only one side of the equation. The government still faces the challenge of turning around a private sector where turnover and productivity are falling and new investment is rare. A sharp drop in medium-term loans, important for industry and manufacturing, has gone together with further contraction in the already minimal share of long-term loans in total credit. Even growth in short-term credit for usually vigorous trading activities had slowed abruptly by 1990.

The government hopes to revive the private sector by offering incentives for renewed investment. Since 1984, net direct foreign investment had fallen from $92 mn to $33 mn in 1990, and gross domestic investment in 1990 was around half its 1986 level. Prime Minister Simon Achidi Achu said in June that the Investment Code of January 1991 was being made even more attractive, and the government would soon announce reductions in or the elimination of "several taxes."

Initial action was taken in 1990 to prolong vital revenue from the oil sector through a new fiscal regime which offered better returns for oil companies and new incentives for exploration. In the hope of halting or reversing the fall in output — down from the 1985 peak of 9.16 mn tonnes to 7.8 mn tonnes in 1990, with early figures for 1991 showing further decline — government taxes and royalties on net oil company revenue were cut from 87 to 80 per cent, exploration and production costs could be amortized with 30 and not 20 per cent of after-tax production value, and the offtake of the national petroleum company, the Société nationale des hydrocarbures was cut from 70 to 60 per cent of crude production.

Some revival of the industry is now expected, with new drilling reportedly due to begin later this year in the Douala Basin, and new exploration permits awarded to Exxon and the joint venture between Phillips Petroleum of the US and Petrofina of Belgium. Cameroon still hopes to profit from its natural gas reserves, estimated at 110 bn cubic metres, and wants to build a liquefied gas plant at Kribi. But these plans have been suspended due to the reluctance of foreign (particularly French) investors. In 1990, evaluation of natural gas reserves was begun

Lack of funding for poverty-alleviation

Despite rapidly deteriorating social conditions, a project which aimed to protect vulnerable Cameroonians from the impact of adjustment has hardly left the drawing board since 1990 when donors and the government pledged $85.7 mn. By mid-1992, the Social Dimensions of Adjustment (SDA) project was left nearly 50 per cent short of funding due to the withdrawal of some bilateral donors, as well as Cameroon's arrears problems with the World Bank and African Development Bank, both of which halted disbursements in 1991-92. And although the SDA was meant to be an integral part of an adjustment programme that began in 1988, it was only in January 1992 that donors and the government agreed that Cameroon first needed to develop an overall policy framework for economic management before the SDA could be properly implemented.

Stabilization and Economic Recovery Minister Roger Tchoungui acknowledges that implementation of the SDA is held up, and that "numerous stumbling blocks...threaten its future." Funding seems to be the root problem. Besides the withdrawal of certain bilateral donors, the government complains that the costs of some of the SDA projects were underestimated, and that tardy commitment of funds had set back the original SDA timetable. Regretting that SDA financing consisted almost entirely of loans, he adds that the combination of the government's own financial problems and the "numerous conditionalities imposed by donors" has left the SDA under "constant threat of stoppage."

SDA action programmes on population, health, education and women-in-development are without funding to go much beyond preliminary studies, which are either completed or in progress. Other crucial SDA components involving support for micro-enterprises, vocational training and community-based income-generating projects are also stalled.

Of particular importance is the National Employment Fund which had registered 76,500 job-seekers by mid-June. These are mostly the casualties of Cameroon's recession and adjustment reforms. With more job losses expected in both the public and private sectors, growing numbers of Cameroonians depend on the swollen informal

by two French companies with World Bank finance.

Another government hope for new investment lies in the Douala industrial free-zone which has been in the process of creation since 1990 with assistance from the US Private Overseas Investment Corporation (OPIC). The actual industrial estate could be completed in 1993, but according to OPIC, three firms were already building facilities in mid-1992 to operate under duty-free conditions, with other

UNICEF Maggie Murray-Lee

Social services, such as this nutrition class in Yaoundé, could be threatened by cutbacks in government spending.

applications in the pipeline. Cameroon faces stiff competition from other export-processing zones, including in Africa, that offer equal or better facilities and incentives, as well as lower labour and other costs. The upsurge in goods smuggled into the country also acts as a disincentive to potential investors and hurts local manufacturing, as well as further reducing the already low levels of revenue collection.

Many of the smuggled goods come from Nigeria, including most of the cloth sold in Cameroon, which undercuts sales by the national textile manufacturer Cicam. Nigerian petrol, known as "Federal," is widely sold in Cameroon for CFA 100 a litre, less than half the price charged by Sonara, the national petroleum products company.

Stabilization and Economic Recovery Minister Roger Tchoungui estimated last year that 60 per cent of imported goods escaped customs duty. This maintained a trend which saw import duties plunge from 28 per cent of total receipts in 1980 to just 3 per cent in 1989, although this is also in line with IMF and World Bank policies for full trade liberalization, with the tax burden shifted from international trade to domestic transactions.

One of the issues that has clouded relations with the IMF and World Bank is the slow pace of progress in civil service reform. Unlike other countries undergoing adjustment, Cameroon's civil service has continued to expand, consuming nearly 50 per cent of recurrent spending in 1990-91. It remains an obvious area for cutting public spending and seeking more efficient allocation of resources. As in other adjusting countries,

sector for precarious income.

To assess current levels of poverty, the government is conducting a household living standards survey. World Bank data show that by 1985, long before adjustment measures hit many incomes, 40 per cent of rural people and 15 per cent in urban areas were living in absolute poverty. Results of the survey will be an important input for Cameroonian planners and decision-makers whose task it is to draw up a policy framework that combines short-term poverty-alleviation with "long-term integration of vulnerable sections of the population in the economic recovery process." Training programmes for staff from key ministries such as Planning could start by August in Addis Ababa and Dakar, although by late June talks continued with donors on reformulating this "capacity-building" component of the SDA and securing its original $800,000 budget.

Cameroon needs to make urgent progress in the social sphere. Although infant and maternal mortality rates have been relatively good, economic problems could bring the same reversals in social indicators that have occurred elsewhere in Africa. Five of Cameroon's 10 provinces had outbreaks of cholera and yellow fever in mid-1991 and progress in child immunization has recently slowed, much to the concern of UNICEF. A World Bank/UN Development Programme document noted the scarcity in 1990 of essential medical and education supplies due to shrinking recurrent budgets. Nominal increases in more recent budget allocations to these sectors have supported the wage bill rather than improved facilities. **N.B-E**

Cameroon: economic indicators

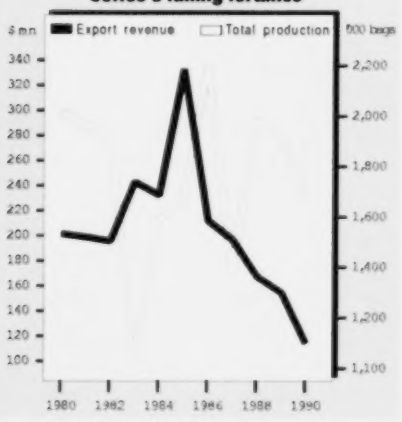
	1980	1984	1985	1986	1987	1988	1989	1990
GDP at current market prices (CFA bn)	2,456	3,551	3,839	4,135	4,005	3,770	*3,176*	*3,159*
Real GDP growth (%)	15.6	5.8	7.6	8.0	-10.4	-7.7	-3.4	-2.5
Merchandise exports ($mn)	1,657	1,589	1,626	2,077	1,689	1,841	1,807	1,909
Merchandise imports ($mn)	1,620	1,065	1,136	1,634	1,435	1,221	1,275	1,372
Current account balance ($mn)	-395	201	328	-610	-1,226	-913	-295	-278
Gross budget deficit/GDP (%)	0.4	n.a.	-2.5	n.a.	-6.5	-3.4	-8.8	-7.6
Gross investment/GDP (%)	18.9	20.8	24.9	30.8	24.1	15.7	18.5	16.5
Total external debt ($mn)	2,513	2,722	2,940	3,710	4,039	4,288	4,780	6,023
Debt service ratio (%)	15.2	15.5	22.7	22.8	28.8	30.9	17.3	21.5
Official development assistance per capita ($)	30	19	16	21	20	25	41	41
Oil production ('000 tonnes)	2,700	7,500	9,170	8,880	8,348	8,295	8,113	7,835
Cocoa production ('000 tonnes)	120	120	118	123.1	132.8	129.4	125.7	115†
Food production per capita (1979-81=100)	107	98	102	106	96	99	96	95
Inflation rate (%)	9.6	11.4	1.3	7.7	6.0	8.6	0.0	n.a.
Exchange rate (average CFA per dollar)*	221.3	437.0	449.3	346.3	300.5	297.8	319.0	272.3
Reserves (months of export cover)	1.1	0.3	0.7	0.2	0.3	0.7	0.5	0.2

Sources: World Bank, IMF, Franc Zone Reports, International Cocoa Organization. * March 1992 CFA 282=$1. † estimate. Figures in italics indicate different source.

Cameroon's plans in this sector involve restructuring ministries to eliminate duplication and waste, as well as tough decisions on appropriate staffing levels.

New recruitment has been frozen and further cuts are being made in such emoluments as free housing (whose announced abolition in mid-1987 was not carried out). But faced with strong recommendations to cut some 12,000 jobs, the government has approached these reforms gingerly, very much alive to the urban ferment of growing numbers of qualified but jobless school-leavers and graduates.

Coffee's falling fortunes



Source: International Coffee Organization

Another key area for continued restructuring is the sprawling parastatal sector which at one stage comprised over 170 enterprises. More than a third have already been liquidated and the government plans to retain some 50 firms, with the remainder slated for privatization (see box on page 17). But to date, less than a handful of sales have been completed and, according to the World Bank, a full inventory of the assets and liabilities of the remainder has yet to be made.

Faced with the need to rehabilitate the potentially viable firms, the government has had difficulty in finding the required finance (both domestically and from bilateral donors), and there is also a lack of investor enthusiasm. Since 1989, however, the government has proceeded with performance contracts aimed at putting the parastatals on a sounder footing. Among the firms involved are the national electricity corporation, Sonel, and the oil palm producer, Socopalm. Another contract, signed with Cameroon Airlines in 1990, provided for a 30 per cent cut in staffing.

The most prominent target for both the government and the World Bank was the Office national de commercialisation des produits de base (ONCPB), which handled Cameroon's cocoa, coffee, cotton, oil palm and groundnuts. Hugely indebted by 1989 to farmers, buyers and banks alike, the ONCPB made some 3,200 staff redundant in two phases beginning that September, and relinquished many of its marketing activities to the private sector.

Although the government fulfilled another Bank conditionality by drastically cutting producer prices to cocoa, coffee and cotton farmers in late 1989, the ONCPB remained saddled by debt. Foreign donors had to help settle some payment arrears to farmers, exporters and banks in late 1991. However, dissolution of the ONCPB and the establishment of the less ambitious Office national du cacao et du café in June 1991 failed to solve cash problems. Farmers were still owed some CFA 4 bn, and many of them were paid with promissory notes in the 1991/92 season.

Mixed prospects in agriculture

While restructuring and cost-cutting measures proceed in other sectors, Cameroon needs to increase non-oil export revenue at a time when exports markets remain discouraging, and its cash crop farmers have received little domestic encouragement.

A notable example is the sharp cut in producer prices which could prove a double-edged sword. This action, paralleled in Côte d'Ivoire, saw the cocoa producer price fall from CFA 420 to CFA 250 per kilo, while prices for robusta coffee (Cameroon's principal variety) were cut from CFA 440 to 175 per kilo, although the government argued that there was still a degree of subsidy. Cotton producer prices were cut less dramatically, from CFA 140 per kilo to CFA 90.

Some analysts predict a growing disincentive to increase

production. For cocoa, this could take some years to show up — current production levels are pretty stable — partly through failure to replace aged trees, and greater reluctance to pay more for pesticides and insecticides. The impact of the price cut appeared more immediate for coffee, with production falling from a 1988/89 peak of 139,600 tonnes to 71,000 tonnes in 1991/92, although drought played some role in the fall. In contrast, cotton output recovered in 1991/92 to 125,000 tonnes of cotton seed from only 113,300 tonnes the previous year.

Farmer incomes have been hit hard by the price cuts, and there was already discontent from years of long delays in payment. Agricultural input costs are also set to rise — fertilizer subsidies, for example, are due to end in 1993. Such factors have led to predictions of a potentially substantial shift to food crops.

However, trade liberalization is posing to food producers problems similar to those in agro-industries, where the two sugar plantation and refinery corporations, Sosucam and Camsuco, have been hit by cheap sugar imports.

Cereal imports have more than doubled since 1986 to reach some 389,000 tonnes in 1990. The situation is most acute for rice farmers, particularly those in the massive Semry development scheme (Société d'expansion et de modernisation de la riziculture de Yagoua). This $32 mn irrigated rice project (part-financed by the World Bank) was originally intended to counter an upsurge in rice imports. But by the time Semry's management signed a performance contract with the government in December 1989, the project was some CFA 17 bn in debt, and its output continued to sell at nearly double the price of imported rice. Semry is slated for privatization, with France providing CFA 6.2 bn for restructuring. But any investors will continue to face stiff competition from well-connected importers — the World Bank observed back in 1984 that rice import policy had "political connotations" — and from cheaper foreign rice.

The most positive development has been in bananas, where exports rose over 40 per cent to 67,800 tonnes in 1990. Their penetration of European Community markets has angered Caribbean producers who allege that Cameroon has been exceeding its Lomé Convention quota. Further progress is expected with Cameroon Development Corporation (Camdev), owner of big plantations of bananas, rubber and other crops in South-West Province, having leased land for new banana cultivation by the US fruit multinational company Del Monte. Timber rivals coffee as the second biggest exporter after oil, but its potential is limited, not only by the low value-added of the mainly round-log exports, but also by growing environmental concerns at uncontrolled exploitation. The government is now drawing up a forest policy, in collaboration with the World Bank, which will include new incentives for conservation.

World Bank

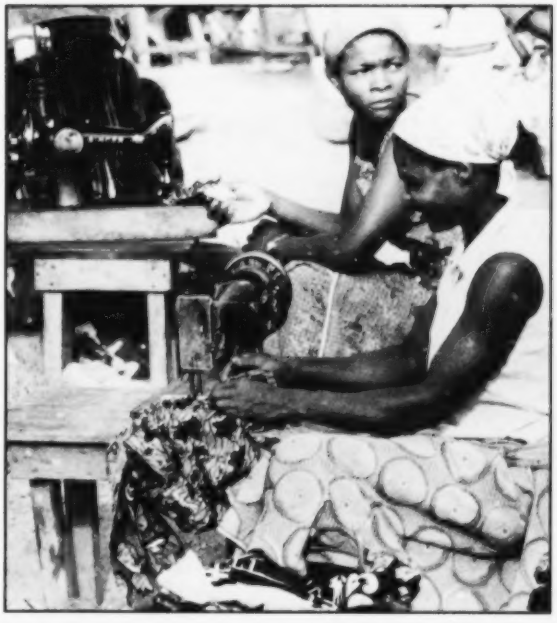
Tractor maintenance at a rubber estate. Rehabilitation in the export sector is a key element in Cameroon's reform programme.

If life has been getting harder for Cameroonians since the mid-1980s, the next few years offer little prospect of relief. Despite two debt reschedulings at the Paris Club in 1989 and early 1992, debt-service will rise significantly in the next three years, the World Bank says. Cameroon's export revenue picture is not bright in this period, and the government's efforts to cut costs and generate surpluses are certain to hurt sections of the population.

Cameroonians will want to see the hardships equally distributed in a country which still managed in 1989 to be the largest importer of champagne in sub-Saharan Africa. The democratization process now holds out the promise of building a new consensus on an already difficult programme of economic reform. But with continuing domestic and external uncertainties, Cameroon's leaders face a test of their economic and political management skills, both during and after the political transition. ■

Assessing adjustment's social impact

Russia's recent tangle with the International Monetary Fund (IMF) has put into the world's headlines — and onto the agenda of Western leaders — what has already been a lengthy debate in Africa on the nature of adjustment policies. The modest returns in the region from a decade or more of tough economic reforms has produced a strong critique of the practice of adjustment and, while the general thrust of IMF/World Bank reforms remains constant, there have been steady modifications to the mix of policies expected from governments.



World Bank

Workers in the informal sector in Côte d'Ivoire. Incomes have been hit as laid-off workers from the formal sector join their ranks.

For Africa, the social costs of adjustment have been one of the most critical areas of this debate and one which is seeing some of the more significant shifts in policy. Two recent studies — one by a US-based, independent research organization, the Alexis de Tocqueville Institution, the other by the Development Centre of the Organization for Economic Cooperation and Development (OECD) — throw new light on the social impact of adjustment and provide suggestions for policies.

The de Tocqueville study, *IMF Conditionality, 1980-91*, discovered a disturbing correlation between undertaking adjustment programmes and a fall in spending on the social sector. In 42 IMF programmes undertaken between 1986-90, the project found that in over 90 per cent there was reduced spending in at least one of the three areas monitored — housing, health, and services such as training, income supplements and social security. In two-thirds of the cases there was an overall reduction in combined spending on the three — measured as a share of gross national/domestic product (GNP/GDP) — and in nearly 30 per cent of the cases the reduction was in excess of 20 per cent. Overall, social welfare spending in the three programme areas fell from a combined country average of 11.1 per cent of either GNP or GDP to 10.2 per cent.

In their primary concern to restore fiscal balances, the IMF advocates measures to both raise revenue and cut expenditure. But a recent IMF publication, *The Fiscal Dimensions of Adjustment in Low-Income Countries*, concluded that governments have generally found it easier to cut expenditure than raise revenues. Although governments generally have the power to choose where to cut, the IMF can play a more active role in targeting areas, particularly in countries undergoing what is termed enhanced surveillance. The study observed that the Fund tended to cut government programmes which it felt transferred services, such as food subsidies, either inefficiently or indiscriminately to poor and not-so-poor groups. Subsidies and housing programmes, because of their usually large costs, have been a favourite for cuts. In contrast, less than 5 per cent of programmes involved any reduced spending for health. Cases such as Ghana, Mozambique and Togo, where social welfare spending was targeted to rise, were relatively rare.

The study also explored the relationship between military and social welfare spending. In 20 countries with extensive conditionality, spending on the military between 1982 and 1990 rose relative to that on social welfare. The record for African countries was mixed, with three out of seven — Ghana, Kenya and Morocco — showing a reverse trend.

Reducing poverty

The study observed that reduced social welfare spending does not necessarily translate into worsening poverty. This can be either because cuts are linked to more efficient and targeted delivery systems, as Fund officials would argue, or through a general improvement in the economy. For programmes undertaken since 1985, the survey found that countries adhering to Fund targets experienced faster growth, from 2 per cent a year to 4.1 per cent. Those that failed to meet targets saw annual growth rates improve only minimally — from 1.1 to 1.4 per cent.

Focusing on social indicators, the study found that food production and consumption per capita, life expectancy and literacy all improved in adjusting countries, though at a slower rate than for developing countries as a whole. But in the area of infant mortality, adjusting countries did even better than the developing country average. This suggests the Fund was able to condition programme support in an area of social welfare "it deemed of exceptional importance."

This also reinforces arguments that adjustment programmes can — and increasingly do — protect social welfare without jeopardizing wider economic goals. Where this might conflict with the Fund's broader macro-economic and fiscal targets, countries could draw on separate funding to meet targets, the study suggested. It also leads to the question of what is the precise mix of adjustment policies which best safeguards the social sector and the interests of the poorest groups. This has been the focus of an OECD study of adjustment and equity in seven countries, including Côte d'Ivoire, Ghana and Morocco. An overview of the main findings from these studies has recently been published in the OECD's *Adjustment and Equity in Developing Countries: A New Approach*.

The social impact of adjustment has been mixed, the overview concluded, with rural areas generally benefitting from adjustment, but not the urban poor. Family living standards improved in rural areas in Ghana and Morocco, the OECD said, though it conceded that the statistical base for this assertion for Ghana was weak. Even the landless benefitted in rural areas of Morocco, the OECD said,

though not in Côte d'Ivoire.

But in urban areas of Morocco and in Côte d'Ivoire adjustment had a generally adverse effect. Unemployment rose sharply in both countries — in Morocco, by 60 per cent between 1982-84. In Côte d'Ivoire, mass lay-offs in the formal sector swelled the ranks of the informal sector. Without this fallback, the study said, the number of unemployed would have tripled and the official unemployment rate would have been 42 per cent rather than 29 per cent.

However, the increase in numbers in the informal sector only put a sharp downward pressure on already low incomes. This was a general trend, the OECD observed: "in every case...average income in the informal sector drops during the adjustment period."

Social services

The OECD studies found that adjustment widely affected public services: some food subsidies were reduced, while per capita expenditure on education and health declined. But the record was usually mixed, the OECD argued, adding that only in Côte d'Ivoire was there an overall fall in public services or transfers.

"In these conditions, family living standards do not necessarily fall during adjustment," the OECD concluded. Instead, individual country circumstances and the mix of policies were the crucial factors. The one structural adjustment measure that had a large social cost, the OECD argued, was reorganizing the public sector. This had often led to a great number of lay-offs, with consequent knock-on effects on the informal sector. When combined with a stabilization programme, this could "create explosive conditions in cities," the OECD observed. Much better, the OECD suggested, was a system for moderate cuts in public sector wages — though many analysts claim these are already too low — or failing that, a system of compensation payments and re-training as in Ghana's Programme of Actions to Mitigate the Social Costs of Adjustment (PAMSCAD).

By helping to fund programmes such as PAMSCAD — which, however, has had a number of problems in implementation — donors could help reduce the social costs of adjustment. But the OECD warned that "the most equitable programme is not always feasible politically." Even the best programmes would involve some social costs, the OECD said, and compensation payments to fully meet these could amount to 1-4 per cent of a country's GDP. Donors "must become involved financially" if this "not negligible" cost is to be met, it concluded. ■

Conference to counter Africa's marginalization

Reflecting growing concern over Africa's place in the post-Cold War era the newly created African Centre for Development and Strategic Studies (ACDESS) is to hold a major international conference on the marginalization of Africa in Dakar, later this year. Co-sponsored by the Organization of African Unity (OAU), the African Leadership Forum and the UN Institute for Economic Development Planning, the conference, to be held on 16-18 November, will bring together 40-50 eminent African and international figures to debate strategies to reverse Africa's increasing exclusion from the major political, economic and financial developments underway elsewhere in the world.

With the priorities of its major trading partners turning increasingly eastward, "prospects of protracted neglect in trade relations and resource flows, coupled with an increasingly restrictive perception of Africa in the media and the public — the continent of hunger and of AIDS, origin of 'immigrants'— are eliciting fears of walls going up to keep Africa out," says ACDESS Executive Director Adebayo Adedeji. Prof. Adedeji, until recently head of the UN's Economic Commission for Africa, hopes that the manifesto which is expected to emerge from the conference's deliberations and which is intended to influence the formulation of African geo-political strategies, will prove to be a "milestone" in the continent's political and socio-economic development.

Priorities for transformation

ACDESS, which has been very much the brainchild of Prof. Adedeji, was instituted last December as an independent, non-profit making centre to generate creative policy options in priority areas for Africa. A five-year research programme has been approved, which will have as its twin priorities, how to bring about necessary change and transformation of social, economic and political structures within Africa and strategies for asserting Africa's role in the post-Cold War world.

At the December inaugural meeting in Ijebu-Ode, Nigeria, where ACDESS is based, former Tanzanian president Julius Nyerere was elected President of the Centre's 18-member Board of Trustees and Overseers. Elected as Vice-Presidents were the new head of the UN Development Programme's Regional Bureau for Africa Ellen Johnson-Sirleaf, former Norwegian Ambassador to the UN Tom Vraalsen and the former head of the UK Treasury, Sir Douglas Wass.

Members of the Board include African Development Bank President Babacar Ndiaye and the Director-General of the OPEC Fund for International Development, Dr. Seyyid Abdulahi, both of whom have offered practical support to ACDESS.

Manifesto for action

Another ACDESS Trustee, OAU Secretary-General Salim Salim, said that the new institution could help "provide answers to the many challenges that face [Africa]" for which the OAU does not have the necessary expertise and resources. The

1992-96 ACDESS research programme will concentrate on issues such as the marginalization of Africa; internal conflicts and the issues of peace-keeping, conflict management and resolution; African governance; external pressures on Africa and the question of the region's political and economic empowerment; the impact of a post-apartheid South Africa on African countries; and the problem of mobilizing foreign investment. As well as closely linking research to "concrete realities," the December meeting stressed that the programme should have an advocacy function, "particularly on policy options and policy directions."

The decision to draw up a manifesto for action to overcome Africa's increasing marginalization at the November conference reflects ACDESS' concern to ensure its work feeds directly and relevantly into the present major policy preoccupations facing African governments. Keynote speakers at the conference, which it is hoped will be addressed by Senegal's President Abdou Diouf and UN Secretary-General Boutros Boutros-Ghali, will be Dr. Salim and Prof. Louis Emmerij, President of the Paris-based Development Centre of the Organization for Economic Cooperation and Development.

Among the themes to be discussed at the three-day meeting are the nature of the emerging world order and Africa's political, economic and security options in it and African perspectives on "a sane and sustainable" global order. ■

Children

from page 1

protection for vulnerable sections of the population does not have to await an overall economic upturn, vital as that is for the alleviation of poverty. This reflects the new international consensus, now fully shared by the World Bank and the International Monetary Fund, that the provision of health, education and social services is an essential ingredient for economic growth, raising expectations that the donor community will provide increased support for the OAU initiative.

UNHCR/T. Williams

Namibia: educating children recently returned from exile. Children in special need are one focus of national action programmes.

The focus on a human development strategy, as articulated by the UN Development Programme (UNDP) in its *Human Development Reports* is being backed by the resources and influence of the World Bank. Mr. Sven Sandstrom, the Bank's Managing Director, said in an April speech that poverty-reduction would be the pre-eminent focus of the Bank's work in the 1990s, after having "focused heavily in the 1980s on macro-economic policies and other economic reforms." Such agreement should ensure increased resources for social sectors even if there is no overall increase in external resources.

Significant steps

In the final analysis, improving the lives of Africa's children cannot be assured unless African economies can grow faster and in a more sustainable way. But significant steps on the social front have nevertheless already been taken. These include the drives to provide universal primary education and better health through immunization which African countries are battling so hard to maintain. There are also ground-breaking programmes, such as the Bamako Initiative, which is bringing in effective community participation in the development of health programmes.

Discussions at the conference will centre on selected National Plans of Action that African countries are now finalizing. These plans will indicate how governments intend to meet the specific goals of the World Summit and how national budgets will be restructured to provide more funds for a sharpened focus on child development. While the overwhelming bulk of these needs will come from African countries, there is a resource gap that donors will be asked to narrow by entering into bilateral "pacts" to support agreed goals. Help could include increased debt relief, as well as financial flows, linked if necessary to the governments attaining specific targets.

"Formulating targets in areas of importance to children is essential if we are serious about our efforts to improve social conditions in Africa," says Dr. Richard Jolly, UNICEF's Deputy Executive Director. "Targets are vital elements of every planner's strategy for tackling issues, such as inflation and budget deficits. We need to get this practice to become a routine part of planning in the social areas as well."

OAU goals

The OAU goals for the 1990s include reducing infant and child mortality to 50 and 70 per 1,000 births respectively from the current levels of over 100, cutting child malnutrition and maternal mortality by half, and rapidly moving towards universal access to basic education and safe water.

"African governments now are determined to do more for their children," says Ms. Chipo Zindoga, a Zimbabwean diplomat who is Deputy Chairman of the UNICEF Executive Board's Programme Committee. Speaking at a June meeting of the advisory group for the conference, she said that African governments had invested heavily in children's health and education in the 1960s and 1970s, which had con-

Action for Namibia's women and children

In pursuit of the goals agreed at the 1990 World Summit for Children, Namibia produced one of the earliest National Programmes of Action for children (NPA) in December 1991. This aims to gradually expand essential services until national coverage is achieved by 2000. Namibian women and children remain the hardest hit by the apartheid legacy of dramatic disparities in incomes and access to basic services, leaving a notable incidence of illiteracy and malnutrition, as well as stunted growth in 30 per cent of children under 5 years old.

The NPA seeks to immediately benefit disadvantaged children in rural and urban households by focusing on primary health, nutrition and food security, water and sanitation, basic education and literacy, as well as on women's advancement. However, implementation faces economic constraints which have forced the government to plan cuts in the civil service of 20 per cent and slow down budgetary growth. With little scope for increasing social sector spending — already substantial at 44.1 per cent of the 1991/92 budget — the NPA still needs additional resources from domestic and external sources.

The government's NPA strategy involves a decentralized, low-cost approach with strong participation by communities and non-governmental organizations. It also requires much better coordination between more streamlined ministries. This strategy should permit effective reassignment of personnel and funds to priority programmes, particularly to preventive services that reduce the need for future remedial spending.

While the initial focus is at district and local levels, rapid urbanization (estimated at 20 per cent a year for the capital, Windhoek) is expected to make half the population city-dwellers by 2000, shifting the balance of needs. The government also hopes that a well-planned NPA will "alleviate" the effects of the "too numerous agendas" of external aid agencies.

tributed to the rapid economic progress that many countries enjoyed in that period. The severity of the economic crisis in the 1980s, and the pressures to reduce social spending as a result, she said, led to some declines in budgetary shares for the sectors in the past decade. But she was confident that the new developmental consensus, the increased awareness of the economic impact of cutbacks in social expenditures, and the steadily improving efficiency of government operations would all result in restructured budgets which provided more for children.

More donor support

The Dakar conference will add to the pressures for more donor support for children's programmes in Africa. According to data from UNDP and the Organization for Economic Cooperation and Development (OECD), only 15 per cent of bilateral overseas development assistance (ODA) is allocated to social sectors, and 6.5 per cent to "human priorities." According to UNICEF projections, if all donors increased this share to 10 per cent, it would generate an extra $1.3 bn a year for such programmes.

One goal of the OAU initiative is to obtain increased ODA resources for African children. While observers continue to point to international preoccupation with regions other than Africa, the organizers of the conference are hopeful that the dialogue and debate in Dakar will help donors see more clearly the many positive developments that are taking place on the continent.

One of the purposes of the conference is to raise the profile of African problems generally and the crucial need of its children in particular. Despite fears of the growing marginalization of African issues, not least in the world's media, the radical political and economic changes which are transforming the face of the continent are creating widespread interest as well improving the chances that the new initiatives on children will be successfully implemented.

Above all, the OAU and UNICEF both intend to make a strong moral case for supporting what is by far the most economically distressed group of children in the world.

UNICEF's Executive Director James Grant has already challenged both Africans and donors by linking children to the major international concern that led to the holding of the UN Conference on Environment and Development (UNCED). "No society which neglects [its] children can possibly be said to be pursuing a pattern of sustainable development," Mr. Grant told UNICEF's Executive Board in June. ■

Famine

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of delivering food aid are manageable. Yet seven out of 10 Eritreans now need food aid urgently, and with starvation deaths already reported in the western and eastern lowlands, 40 per cent of Eritrea's emergency needs are still uncovered and the food pipeline dried up. "Only the food is lacking," says Ms. Catherine Bertini, Executive Director of the World Food Programme (WFP). "Has the world forgotten Eritrea?"

Food pledges and deliveries have been "dismal" for Sudan, according to the WFP. Despite a favourable harvest nationally, major areas, including Darfur, Kordofan and the southern war zones, continue to experience famine conditions, and a recent upsurge in fighting in the south has provoked a new wave of population movements. According to UN officials, some 7.2 million people now need emergency food aid, a total that could rise by another million as a result of population displacements.

Southern Africa appeal[1]

	Affected population (mn)	Total food needs ('000 tonnes)[2]	Aid appeal ($mn)
Angola	1.4	54	81
Botswana	0.1	16.7	5.7
Lesotho	0.17	77.7	11.1
Malawi	5.7	719	183
Mozambique	3.15	1,354	250
Namibia	0.25	61.3	19.3
Swaziland	0.25	65.5	16.2
Tanzania	0.8	281.5	5.6
Zambia	1.7	835	53.4
Zimbabwe	4.6	721	209
Total	18.1	4,186	854[3]

1. For 1992-93 crop marketing year. 2. Includes 2.5 mn tonnes of "programme food aid" for market distribution, the costs of which not included in dollar amounts. 3. Includes $21 mn for regional coordination costs.
Source: UN Department of Humanitarian Affairs, SADCC

In war and drought-stricken Somalia, up to 5,000 children alone are dying daily, estimates Ambassador Mohammed Sahnoun, the UN Secretary-General's Special Representative. The first UN relief ship in many months was able to unload at the beleaguered port of Mogadishu in May, and several others have followed. The WFP estimates that the number of Somalis in need of assistance has climbed to 4.2 million, of whom 1 million are in the capital, where nearly 200 camps have been set up for people displaced by factional warfare.

Kenya's situation has suddenly deteriorated in recent months, as drought and civil conflict combined with massive refugee inflows from neighbouring countries. Drought has displaced some 680,000 people, while another 100,000 Kenyans have fled from ethnic and political clashes in the Western and Rift Valley Provinces. An estimated 300,000 refugees have poured into Kenya from Somalia, Sudan and Ethiopia, according to the UN High Commissioner for Refugees, and their numbers are rising fast. Médecins sans frontières reports that the daily hunger-related death rate has climbed to 10 per 10,000 people in three of the most seriously affected districts in the northeast.

Unprecedented calamity

Southern Africa's drought has cut normal harvests by about half, leaving the 10 SADCC countries with an estimated food deficit of 6.1 mn tonnes. "Never before has this calamity been so widespread that food deficits cover the entire region," says Botswana's UN Ambassador, Mr. Joseph Legwaila.

The joint UN-SADCC appeal asks donors to contribute some 4 mn tonnes, while the remaining gap is expected to be covered through commercial food imports.

The most stricken country is Mozambique, where the drought has come on top of years of insurgency. In addition to nearly 6 million people dependent on food aid sold in the local markets, another 3 million Mozambicans need free distribution, about twice the number prior to the drought. Little more than half of Mozambique's total food needs have beenpledged.

Among the other SADCC countries, Malawi (which has large numbers of refugees), Zambia and Zimbabwe have been most seriously affected, with large emergency food aid and import needs and millions of people going hungry.

Given the sheer volume of food aid and imports that will need to flow into Southern Africa, plus the fact that six of the affected countries are land-locked, logistics is proving to be a key consideration in the effectiveness of the international relief effort. SADCC has established a high-level drought relief task force to coordinate operations. In addition, at a meeting held in Pretoria in April, South Africa and four SADCC countries (Botswana, Malawi, Zambia and Zimbabwe) established a working group to coordinate those food shipments that are being transported via South African ports, roads and railways. ■

Poverty

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The Handbook, in general, avoids rhetorical ideological tags. Lessons from experience are both openly cited and underlie key shifts in position. For example, the acceptance that rigid, centrally constructed user-fee systems for basic services often do exclude the poor.

But there is a certain unevenness. The key warning that in human investment and small-scale infrastructure there is a bias towards too much fixed investment, relative to recurrent funding, is not integrated into the analysis of project and programme design. Nor, as noted above, is the horrific inefficiency caused by too-low wages tackled.

"There is an unfortunate tendency to include the poor, at the cost of excluding the non-poor, despite a realization that for basic human investment and infrastructure, the goal is universality."

The reality that most poor households have multiple sources of income, which are affected differently by differing policy measures, is not stressed. Nor is the risk that import liberalization can hurt low-income producers of import-competing goods. They usually have few options for adjusting their production.

On safety nets, the separate mention of calamity and war victims is a welcome start. But the need to plan with them both for immediate survival and the longer task of rehabilitating livelihoods is not articulated, even though for some countries — in the Horn and in Southern Africa in particular — it is the *central* poverty reduction strategy.

The wealth of experience, insights and challenging ideas in the case-study boxes is exemplary. They place policy options in a meaningful context and provide some concreteness to the many concepts discussed. But most are summaries of restricted documents which are, in any case, too long to be of practical use. It reinforces the argument for an improved version of the Handbook, which is both more accessible for non-Bank technicians and which provides fuller summaries and key results from selected case studies. This would be welcome and potentially important. ■

Rio summit

from page 5

which is to report to the UN Economic and Social Council on the progress achieved in implementing the agreed conventions, Agenda 21 and other UNCED decisions. Some Northern countries had initially favoured a body independent of the UN.

An African proposal for an international fund to finance "environmentally sound and sustainable development in Africa" failed to get off the ground. However, World Bank President Lewis Preston mooted plans for an "earth increment" — which officials say will be in the order of $5 bn — in the upcoming replenishment of the Bank's soft-loan International Development Association.

Developing countries scored some concessions with regard to financial mechanisms. Some Northern countries had wanted much of any new financing to be channelled through the GEF, a joint undertaking of the World Bank, UN Development Programme and UN Environment Programme. The summit, however, agreed to employ a variety of mechanisms, including regional banks, such as the African Development Bank, and the UN agencies.

The GEF itself is being restructured along the more democratic lines demanded by developing countries. Speaking for Africa, Nigeria had insisted on the elimination of the $5.5 mn fee required for GEF membership. After halving the fee for countries with annual per capita incomes below $1,000, the GEF is now set for universal membership and no entry fee. Similarly, its decision-making is also being revised, retaining consensus as a first principle, but also seeking a balance between weighted votes (as in the World Bank and IMF) and one country-one vote. African countries have also pushed for GEF coverage of a wider range of issues — including desertification, which was previously excluded as a national and regional, not a global problem — and for its financing capacity to be increased. Funding pledges in Rio suggest that the GEF's resources could be more than doubled from its current level of $1.3 bn by the end of next year.

In the interim, the African Group at UNCED argued that given the continent's low share in the GEF to date, the majority of uncommitted funds should go to African countries. ■

Africa Recovery Briefing Paper A Future Rooted in Africa's Soil, *by Robin Sharp with Mahamadou Koné looks at environmental and development issues. Available from Africa Recovery.*

Nigeria

from page 15

The government has become less sympathetic to the worries of local producers, who they say consume the bulk of the foreign exchange available for domestic use without contributing much through exports. Certainly, efforts to diversify by stimulating non-traditional exports have been largely disappointing, with oil continuing to account for 95 per cent of official receipts. This, however, hides a lively and growing leakage of manufactured goods across Nigeria's borders into higher-cost neighbouring countries with a stronger currency. Nigerian petrol was often more readily available in these countries than in Lagos during the recent shortages.

Living standards hit

But the currency reform's gravest effects have been on the living standards of most of Nigeria's 90 million people. Trade union, church and human rights leaders warn that the price rises brought by the devaluation could lead to social unrest in a nation where a state-stipulated minimum daily wage of N9 is less than the cost of a large loaf of bread.

The government has introduced relief measures, including increased fringe benefits for its public workers and cuts in duties on key imports to help cushion the blow of the price rises, which even affected locally produced staples as market women passed on their own increased domestic costs.

CBN's Tony Ede says the inflationary impact of the devaluation has been reversed following consumer resistance to high prices. The costs, however, have already been high. Further measures, such as raising petrol prices, among the cheapest in the world, and a prerequisite for donors in any restructuring of the vast oil and energy sectors, could provoke more disturbances.

The transition to civilian rule at a time when the SAP remains hugely unpopular raises large questions on the pace and nature of Nigeria's reform efforts in 1993. The currency reforms may have been a necessary adjustment to a wider reality if Nigeria's economy is to continue to improve its international competitiveness. But it is not clear that the longer term gains will be given the opportunity to overcome the more immediate costs.

Many political analysts argue that incoming politicians, facing an adjustment-weary electorate, will not be able to take the tough economic decisions that are still needed. ■

Day of hope and challenge

By Djibril Diallo

By now, few of you need reminding that 16 June is the Day of the African child. This Day is also quickly becoming a "central switchboard" for messages on behalf of Africa's children and a mechanism for measuring their welfare every year. Major goals of this second year of celebrations were to accelerate the process throughout Africa of preparing National Programmes of Action for children, and to re-focus world attention on a continent whose needs grow greater every day.

Reflecting on this year's Day, two pictures come to mind. First I see the dozens of Mauritanian and Senegalese children hugging each other during an emotional ceremony on a barge in the Senegal river. This river forms a border between the two countries that had just re-opened after being closed for three years. The Mauritanian and Senegalese children had braved the dust and the heat of a road trip all the way from their respective capitals of Nouakchott and Dakar. They were using 16 June to send a message of peace to the adults of both countries, a message so powerful that it featured prominently in the Senegalese and Mauritanian media.

Zones of peace

Weeks later at the Organization of African Unity (OAU) summit in Dakar, delegations from both countries were still talking about it in a context that was very appropriate since: "conflict resolution and conflict prevention" were among key items on the OAU agenda. This Mauritania/Senegal episode was yet another illustration of how concerns for child survival and development can be used to pave the way towards broader peace initiatives between countries. Similarly, the concept of children as "zones of peace" is an OAU-recognized practice whereby UNICEF and its partners are given quick access through "corridors of peace" to women and children in war and civil-conflict situations so they can be provided with emergency relief.

The second picture of this year's Day of the African Child (DAC) comes from the week-long celebration organized by both New York State and New York City. It was an eloquent and solemn moment which summed up the international solidarity behind the Day. As he launched the activities from City Hall, Mayor David Dinkins urged New Yorkers to participate massively in this day of solidarity with Africa's children, declaring that: "No matter how rich and powerful our nations become, we cannot be satisfied when so many children experience the sunset of opportunity at the very dawn of their existence...Let us allow the children of Africa to walk ahead filled with promise and hope."

On 16 June itself, Mayor Dinkins, UNICEF Executive Director James Grant, and New York City Commissioner Nadine Hack were among the eminent people joining Buddhist, Christian, Jewish and Muslim religious leaders at an inter-denominational service at the United Nations Church Centre. The service was sponsored by the World Conference on Religion and Peace, the New York City Commission for the United Nations, the Consular Corps, and UNICEF.

International awareness

Another event at the United Nations that day was an educational and cultural fair for 650 energetic schoolchildren aged 9-12 from all over the Greater New York City area. Several entertainment and talk-show celebrities were featured, along with young speakers and entertainers from Algeria, Botswana, Ethiopia, Kenya, Liberia, Nigeria, Senegal, South Africa and Zimbabwe. Also present were Mrs. Matilda Cuomo and Mrs. Joyce Dinkins — wives of New York's Governor and Mayor — who co-chaired activities in New York with Mrs. Lea Boutros-Ghali, wife of the UN Secretary-General.

Reflecting on the importance of the DAC, Secretary-General Boutros Boutros-Ghali said on 16 June that it would be used "to provide a bench-mark against which the delivery of the major goals for child health, education and welfare of the 1990 World Summit for Children can be measured." He added that "on this very day, the programmes that UNICEF is organizing for the annual Day of the African Child will surely raise international public awareness about the plight of African children."

Among these programmes was "Africa's Children, Africa's Future", a month-long photographic exhibition of daily life around the continent hung in the Visitors' Lobby of the UN with a display of hand-made African toys and musical instruments made by New York City schoolchildren.

Other events in New York included an African bazaar at Columbia University, and the screening of three internationally acclaimed African films — *Yeelen* by Souleymane Cissé of Mali; *Wend Kunni* by Gaston Kaboré of Burkina Faso; and *Yaaba* by Idrissa Ouedraogo, also of Burkina. Screenings were at UN headquarters and at the Schomburg Centre for Research in Black Culture in Harlem.

Special boost from the OAU

The DAC benefited this year from close cooperation with the OAU Secretariat. From January onwards, OAU Secretary-General Salim Salim had encouraged member-states to prepare special programmes for the DAC "to focus attention on both the opportunities for and the obstacles to the survival and development of Africa's children."

Mr. Salim also made a special plea for African countries to make maximum use of the Day as serious preparation for the OAU-sponsored International Conference on Assistance to African Children (see page 1) on 25-27 November in Dakar. This historic gathering of African and international leaders is to discuss ways of mobilizing additional resources, from inside the continent and abroad, for pursuing the goals set for the year 2000 by the World Summit for Children.

Among the subjects that were tackled in Africa's commemoration of the DAC were AIDS and its prevention, the rehabilitation of street children, discrimination against young girls, and awareness-building programmes on laws and prejudices in cultures where such discrimination is practised. The Bamako Initiative, where community members participate in managing public health care with community resources, was another special focus in Africa's commemoration of the DAC which has great implications for children. The World Health Organization, UNICEF and their allies are proud to say that after five years of implementation, the Bamako Initiative has proved to be one of the most cost-effective health-care delivery systems in Africa, and an excellent guarantee for community health.

The Day of the African Child has therefore come around again with a message of hope. By illustrating ways in which Africans are struggling to move the continent into recovery and development, the DAC is helping to educate those who spread the gloom of "Afro-pessism," and want others to give up on Africa as a lost cause. We must rather focus attention on the many islands of hope and build strongly productive links between them.

**The African Baobab is one of the world's hardiest trees, thriving in even the most arid environment. It is also the tree under which some Africans traditionally meet to decide issues of common concern.*

AFRICA AGENDA

FORTHCOMING EVENTS

3-8 August: Harare, Zimbabwe: 1992 Zimbabwe International Book Fair focusing on the environment.

17-30 August, Harare, Zimbabwe: Southern African Development Coordination Conference (SADCC) Council of Ministers meeting and heads of state summit.

4-6 September, Brazzaville, Congo: International Conference on Community Health in Africa

8-9 September, New York, US: UN Conference on International Education Assistance to Disadvantaged South Africans.

14-15 September, Vienna, Austria: Seminar on relations between industrialized and developing countries organized by the Bruno Kreisky Forum for International Dialogue.

15 September-December, New York, US: 47th Session of the UN General Assembly.

17-20 September, Washington, US: World Economic Congress organized by the World Economic Development Congress.

20-25 September, Owerri, Nigeria: "The Challenges of Soil Erosion in the Tropical Environment" is the theme of the second International Symposium on Erosion.

22-24 September, Washington, US: Annual meetings of the International Monetary Fund and World Bank boards of governors.

24-28 September, New Delhi, India: Global Forum on Environmental and Development Education.

28 September-2 October, Dakar, Senegal: "First International Conference on West African Integration," jointly sponsored by Senegal, the Economic Community of West African States, Canada, the International Development Research Centre, and the African Development Bank.

5-9 October, Colombo, Sri Lanka: Commonwealth Consultation on Rural Poverty Alleviation held by the Commonwealth Secretariat.

17-21 October, Toronto, Canada: World Congress on Education and Communication organized by UNESCO.

2-6 November, Tunis, Tunisia: African Regional Preparatory meeting for the World Conference on Human Rights organized by the UN.

2-7 November, Dakar, Senegal: African Regional Preparatory meeting for the International Conference on Population and Development.

6-18 November, Dakar, Senegal: Africa's Growing Marginalization in the Emerging International Order, conference organized by the African Centre for Development and Strategic Studies (ACDESS).

9-14 November, Singapore: International Congress on the Economic Advancement of Developing countries organized by the East-West Centre, Hawaii.

10-12 November, Dakar, Senegal: International Symposium on a New World Scientific and Technological Order organized by the World Federation of Scientific Workers.

17-19 November, Dakar, Senegal: Summit of the Group of 15 developing countries.

25-27 November, Dakar, Senegal: International Conference on Assistance to African Children a meeting with donor countries convened by the Organization of African Unity and UNICEF

3-5 December, Abidjan, Côte d'Ivoire: Bi-annual Participants' Meeting of the Global Environment Facility.

NGO networks against adjustment policies

Non-governmental organizations from around the world are converging on Washington for the **17-19 September NGO Forum on IMF and World Bank Structural Adjustment Lending** and a public forum on the same theme on 21 September. These will act as a preface to the 22-24 September annual meetings of the Fund and Bank boards of governors.
Organized by the Development GAP, Friends of the Earth (US), the Third World Network, and the European Network on Debt and Development (EURODAD), these meetings aim to share information and experiences of structural adjustment programmes (SAPs), and also develop strategies for local and international campaigns.

This follows the establishment in May of an NGO Centre on Structural Adjustment (NGO CASA) in Washington by the Development GAP and Third World Network, organizations "committed to helping build a worldwide movement against SAPs." The centre will gather information and documents, mainly from grassroots organizations and NGOs, as well as from academics and officials. Materials will be disseminated as widely as possible — particularly to those who contribute material — in order to strengthen critical debate and alternative approaches to development. (NGO CASA, c/o The Development GAP, 1400 I Street, NW, Suite 520, Washington, DC 2005, USA).

Africans urge improved peace-keeping

Progress in resolving the numerous conflicts in Africa depends on the Organization of African Unity (OAU) reviewing its principle of "non-interference" in internal affairs, concluded prominent African personalities meeting in Arusha, Tanzania, on 23-25 March. OAU Secretary-General Salim Ahmed Salim noted that the OAU's "narrow interpretation of sovereignty" had made it "stand by in apparent helplessness as many of these conflicts have torn countries apart."

Convened by the New York-based International Peace Academy (IPA), participants at the conference on "Africa's Internal Conflicts: The Search for a Response" included IPA President Olara Otunnu, Commonwealth Secretary-General Emeka Anyaoku, former Nigerian President Olusegun Obasanjo and former UN Economic Commission for Africa Executive Secretary Adebayo Adedeji.

Participants agreed that Africa's political instability and civil conflict resulted primarily from the denial of democratic rights and freedoms. Promoting and developing democracy was crucial, therefore, to achieving peace and security throughout the continent.

Mr. Salim reported that a division on conflict management and resolution had already been set up in the OAU Secretariat, and the meeting urged the OAU to take further steps to strengthen its mediation capacity. Faced with various constraints, however, the OAU might need help from such organizations as the Commonwealth and the UN for full-scale peace-keeping operations, participants concluded.

WHAT'S TAKEN PLACE

25-29 May, Dakar, Senegal: The Pan-African Conference on the Transition to Democracy, hosted by the Senegalese government and attended by representatives of 80 political parties from 42 African countries.

26-28 May, Arusha, Tanzania: "Regional integration" was the theme of a seminar held by the Southern African Development Coordination Conference (SADCC) and the Preferential Trade Area for Eastern and Southern Africa (PTA).

10-11 June, Paris, France: Basic Education: Donor Roles and Responsibilities was discussed by the Development Assistance Committee of the Organization of Economic Cooperation for Development

13-19 June, Manaus, Brazil: "Environmentally Sound Socio-Economic Development for the Humid Tropics", a conference organized by UNAMAZ (an association of universities and research institutes in the Amazonian countries), the Third World Academy of Sciences, the UN University, and UNESCO.

16-19 June, Abidjan, Côte d'Ivoire: "Cultural Policies in a Post-Apartheid South Africa," was an international workshop held by UNESCO.

24-26 June, Geneva, Switzerland: International Conference on Macro-economics and Health held by the World Health Organization to discuss realistic and sustainable health policies in needy countries.

3-9 July, Dar es Salaam, Tanzania: "Partners for Trade and Economic Development" was the theme of the Fourth Trade Fair of the Preferential Trade Area for Eastern and Southern Africa.

AFRICA BOOKS

The Black Man's Burden: Africa and the Curse of the Nation-State by Basil Davidson (Times Books/Random House, New York; 1992; $24). Traces the economic and political crises facing the continent today to the imposition, at the close of the colonial era, of nation-states modelled after Europe's.

Democracy, Governance and Economic Policy: Sub-Saharan Africa in Comparative Perspective by John Healey and Mark Robinson (Overseas Development Institute, London; 1992; £10.95). Traces the evolution of the types of government existing in Africa; analyzes the relationship between democracy, adjustment and economic growth in developing countries; and examines the prospects for sustained political reform and improved economic management in sub-Saharan Africa.

Africa Today: Crisis and Change (Dissent, Summer 1992) eds. Mitchell Cohen, Irving Howe and Michael Walzer (New York; $6). Special issue of magazine, entirely devoted to Africa. Includes pieces on African debt (by Susan George), African literature (by Chinua Achebe), African women (by Ama Ata Aidoo) and why the North fails to understand the continent (by François Régis Mahieu).

Africa in World Politics eds. John W. Harbeson and Donald Rothchild (Westview Press, Boulder, Colorado/Oxford; 1991; $19.95 pb/$52 hb)

Reform in Eastern Europe and the Developing Country Dimension ed. Christopher Stevens and Jane Kennan (Overseas Development Institute, London; 1992; £9.95). **Eastern Europe and the Former Soviet Union: Economic Change, Social Welfare and Aid** by Charlotte Benson and Edward Clay (Overseas Development Institute, London; 1992; £17.50)

Third World Quarterly. Vol.13, no.1, 1992. Special Issue: Rethinking Socialism ed. Shahid Qadir (Carfax Publishing Company, Oxfordshire, UK; one-year subscription: £98/$157 for institutions, £35/$55 for individuals). Presents analyses of socialism as practised in various developing countries (including Angola, Ethiopia, Mozambique and Zimbabwe).

Le Sahara occidental, enjeu maghrébin by Addelkhaleq Barramdane (Karthala, Paris; 1992)

Adjustment and Equity in Developing Countries: A New Approach by François Bourguignon and Christian Morrison (OECD, Paris; 1992; $31). **Adjustment and Equity in Côte d'Ivoire** by Hartmut Schneider (OECD, Paris; 1992; $31) (See article on p. 24.)

Nord-Sud: De l'aide au contrat. Pour un développement équitable by Claude Marchant (GRET, Paris; 1992)

The Trade Trap: Poverty and the Global Commodity Markets by Belinda Coote (Oxfam, Oxford; 1992; £5.95)

Politics and Poverty: A Critique of the Food and Agriculture Organization of the United Nations by John Abbott (Routledge, London; 1992; £30)

IMF defends its Africa role

IMF Assistance to Sub-Saharan Africa by F. L. Osunsade and Paul Gleason (International Monetary Fund, Washington, US; 1992)

The adequacy and nature of IMF financial assistance to Africa during the 1980s has been the subject of debate and criticism from many quarters. Acutely aware of this debate, the IMF has attempted to set out its case in a succinct and clearly written pamphlet. Authored by two members of the Fund's External Relations Department, the short book briefly looks at the nature of African economies, describing and explaining the rationale for IMF programmes in the region.

In doing so they address two of the major points of criticism over Fund activities, namely the question of conditionality and the issue of negative flows. The pamphlet makes clear that IMF assistance will continue to depend on "credible" reforms "that show clear promise of overcoming prevailing policy problems within a reasonable period."

That said, the authors insist that conditionality is not a blanket imposition, but reflects specific country conditions, while "increasing attention" is also being given to "mitigating the adverse transitional impact of adjustment on the poor and other vulnerable groups in society."

The authors argue that negative net flows in the region reflect both the high level of previous borrowings and the revolving nature of the Fund's financial facilities. They point out that sub-Saharan Africa accounted for some 19 per cent of total borrowings from the Fund during the 1980s, against a quota — or subscriptions — share of only 4 per cent. The volume of net reflows has also been falling, they say.

Taking a generally optimistic view of Africa's economic problems and the IMF's role in helping overcome them, the authors declare that there is a "silent revolution" under way, with African governments showing an "increasingly cooperative and flexible attitude". The pamphlet also argues that reform efforts have "begun to bear fruit." Provided adjustment efforts are sustained and with "necessary external support," sub-Saharan Africa could enjoy an "economic reawakening," it claims. The IMF will continue to play an important role in this effort, but while to date half of IMF support has been from its regular funds, it is the special concessional facilities which continue to be most relevant in the near term. And, it might be added, these are dependent on continuing donor generosity.

Africa's Agricultural Development in the 1990s: Can It Be Sustained? eds. Nathan C. Russell and Christopher R. Dowswell (1992). Proceedings of a May 1991 workshop held in Arusha, Tanzania; published by the organizers: the Centre for Applied Studies in International Negotiations (Geneva), the Sasakawa Africa Association (Japan) and Global 2000 (Carter Centre, US).

Women and Food Security: The Experience of the SADCC Countries ed. Marilyn Carr (IT Publications, London; 1992; £9.95 pb/£30 hb)

The Future for Women in Development: Voices from the South (North-South Institute, Ottawa; 1991; $12)

The Nature of Development: A Report from the Rural Tropics on the Quest for Sustainable Economic Growth by Roger D. Stone (Knopf, New York; 1992; $23)

Economic Development in Ethiopia: Agriculture, the Market and the State (OECD, Paris; 1991; $36)

La rizière et la valise: irrigation, migration et stratégies paysannes dans la vallée du fleuve Sénégal (GRET, Paris; 1992)

Namibia through the 1990s: Turning Rich Resources into Growth Economist Intelligence Unit report (EIU, London; 1992)

Southern Africa after Apartheid: Prospects for the Inner Periphery in the 1990s eds. Sehoai Santho and Mafa Sejanamane (Southern Africa Political Economy Series Trust, Harare; 1992)

After Apartheid: The Future of South Africa by Sebastian Mallaby (Times Books, New York; 1992; $22). *The Economist's* former Africa correspondent (and currently its finance correspondent) argues that "a culture of ungovernability" will be one of the biggest hurdles a post-apartheid South Africa will have to overcome.

The Apartheid City and Beyond: Urbanization and Social Change in South Africa ed. David M. Smith (Routledge, London; Witwaterstrand University Press, Johannesburg; 1992; $22.50)

Restoring the Land: Environment and Change in Post-Apartheid South Africa eds. Mamphela Ramphele and Chris McDowell (Panos, London; 1992; £7.95)

Forest Policies, Forest Politics ed. Gill Shepherd (Overseas Development Institute, London; 1992; £7.95). **Managing Africa's Tropical Dry Forests: A Review of Indigenous Methods** by Gill Shepherd (Overseas Development Institute, London; 1992; £9.95). The first includes case studies in Mali, Nigeria and Somalia. The second identifies and analyses a range of indigenous forest management practices in dryland Africa.

North-South Environmental Strategies, Costs and Bargains by Patti L. Petesch (Overseas Development Council, Washington, 1992)

The Greening of World Trade Issues eds. Kym Anderson and Richard Blackhurst (GATT Secretariat, Geneva; Harvester Wheatsheaf, Hemel Hempstead/UK; 1992; $76.50/£45 hb; $23.95/£13.95 pb)

Population, Resources and the Environment: The Critical Challenges (United Nations Population Fund, New York/Banson, London; 1991; $24.75). Includes case studies of Ethiopa, Egypt, Kenya and Zimbabwe.

World Refugee Survey - 1992 (U.S. Committee for Refugees, Washington; 1992; $10/$8 for more than one). Includes reports on 26 African countries.

AFRICA IN BRIEF

UN to send mission to South Africa after OAU appeal

The United Nations has agreed to play a greater role in South Africa's troubled transition to democracy. After a mid-July debate requested by African ambassadors, the UN Security Council unanimously approved a fact-finding mission that would recommend ways to make faster progress towards majority rule. This followed calls for UN involvement made by the end-June summit of the Organization of African Unity (OAU) in Dakar, Senegal, and by the South African liberation movements. UN Secretary-General Boutros Boutros-Ghali had earlier reported a consensus on some form of UN role after meetings in Abuja, Nigeria, with South African government and Inkatha representatives before the OAU summit, and in Dakar with African National Congress (ANC) and Pan-Africanist Congress (PAC) leaders.

Boutros Boutros-Ghali

Conflict-resolution was very high on the OAU agenda. Before the summit, African foreign ministers had strongly endorsed proposals for a permanent OAU body to prevent and resolve conflicts, backed by an OAU military force. However, the summit agreed only for OAU Secretary-General Salim Ahmed Salim to further study the institutional, operational and financial details of such a mechanism for a decision at the 1993 OAU summit in Cairo, Egypt. This was despite calls by both outgoing OAU chairman President Ibrahim Babangida of Nigeria and Mr. Salim for an OAU body similar in function to the UN Security Council, as well as a pan-African peace-keeping force. Mr. Salim had already set up a conflict-management division within the OAU Secretariat.

African leaders joined the ANC and the PAC in condemning Pretoria for "its role in the perpetuation of the violence," and urged African countries not to renew ties with South Africa until an interim government had been set up in South Africa to supervise the transition to democratic rule. ANC leader Nelson Mandela had reminded the summit that South Africa was still "ruled by an apartheid, white minority regime", and criticized the "indecent haste" with which the some African countries were re-establishing ties with that regime.

Other summit resolutions included one mandating new OAU chairman President Abdou Diouf of Senegal to persuade Africa's major creditors to "participate actively in the search for lasting solutions" to the debt crisis. The OAU resolved to mobilize resources in pursuit of 6 per cent annual growth in Africa's per capita income. It also urged all member states to ratify the African Economic Community treaty — by early May, only eight countries had done so. ■

African leaders give personal pledge to fight against AIDS

African leaders have promised to personally lead more vigorous AIDS-prevention campaigns in their countries by the end of this year, following a resolution at the end-June summit of the Organization of African Unity (OAU), which stated that the spread of AIDS was worsening the continent's socio-economic situation. World Health Organization (WHO) Director-General Hirochi Nakajima welcomed this "historic declaration," adding that "only political will expressed at the highest level can stimulate the great collective effort that is required to check the epidemic."

OAU leaders said all adults in their countries must be quickly educated in AIDS-prevention methods, using all channels of communication, including traditional and religious leaders. While respecting "the social, cultural and religious norms," African leaders said that old taboos could not be justified when, according to WHO estimates, some 20 million Africans could be infected with the virus that causes AIDS by 2000, with a million dying each year. The declaration insisted that people with the virus or with AIDS itself must be treated with the "respect and compassion" that is traditional in Africa. ■

World Bank lending to Africa up nearly $600 mn

The World Bank substantially increased its lending to sub-Saharan Africa in its last financial year ending 30 June 1992. New loan approvals totalled $3.97 bn, nearly $600 mn higher than the previous year, representing a 17 per cent increase. This more than restores lending to the 1990 level, when approvals totalled $3.93 bn. Overall, Bank lending in fiscal 1992, fell to $21.7 bn from $22.7 bn in fiscal 1991, reflecting another downturn in commitments from the Bank's main IBRD arm.

In Africa, IBRD lending in fiscal 1992 totalled $738.4 mn, a small recovery from the previous year's sharp fall to $663 mn. Lending from the Bank's soft-loan affiliate, the International Development Association (IDA), totalled $3.23 bn, 80 per cent of total Bank lending to Africa, compared with $2.73 bn in fiscal 1991.

Adjustment lending has continued to receive a growing share of total lending. For Bank lending as a whole this rose only marginally to 27 per cent from 26 per cent in 1991. But in IDA lending, adjustment's share rose sharply to 33 per cent from 22 per cent the previous year.

Bank officials say lending to particular sectors, as opposed to economy-wide structural adjustment programmes, accounted for a significant share of this. The Bank also approved over $300 mn in fast-disbursing programme loans to help counteract the effects of drought in Southern Africa (see page 1). Last year also saw a significant increase in Bank lending for agriculture, education and improved water supply and sewer systems. ■

New head of UNDP's Africa Bureau

Ms. Ellen Johnson Sirleaf, from Liberia, has been appointed Assistant Administrator of the UN Development Programme (UNDP) and Director of the UNDP's Regional Bureau for Africa. She is the first woman to head any UNDP Regional Bureau, and succeeds Mr. Pierre-Claver Damiba, who returned home to Burkina Faso last year.

Ms. Johnson Sirleaf brings to UNDP many years of experience in both the public and private sector. In Liberia she was Assistant Minister of Finance in 1964-69 and Deputy Minister of Finance in 1977-80. She has also served as a senior loan officer at the World Bank; as President of the Liberian Bank for Development and Investment; as a Vice-President of Citibank, at its Regional Office for Africa in Nairobi; and prior to coming to UNDP was a Vice-President of Equator Bank in Washington.

Falling investment in Africa

Africa's small share of world foreign direct investment (FDI) fell to $2.2 bn in 1990, according to the latest UN *World Investment Report 1992*. This was half the exceptional 1989 inflows, but restored the late 1980s trend of low flows into Africa, said the report on *Transnational Corporations as Engines of Growth*.

It said that in 1989, oil-exporting countries received over 80 per cent of Africa's $4.3 bn in FDI inflows. However, their share of the 1990 figure fell to 66 per cent, notably in Egypt (where political tensions arising from events in the Persian Gulf worsened the investment climate) and in Nigeria. Non-oil-exporting African countries, mostly classified as least developed, saw continued stagnation with FDI inflows averaging under $500 mn a year throughout 1981-90. The report found that equity capital formed less than 10 per cent of Africa's FDI inflows, and suggested that most investment was coming from local affiliates of transnational corporations (TNCs). There were also cases of large TNCs acquiring existing foreign-owned companies without contributing to overall FDI to Africa.

Contrasting such results to Africa's "extensive efforts" in recent years to attract foreign companies, the UN said national and international agencies might have to become more involved in creating the economic and infrastructural conditions needed to mobilize "significant amounts" of FDI. ■

Commodities give little joy

Most commodity prices began a hesitant recovery in the second quarter of 1992, but one not strong enough to recover the ground lost in 1991. Among major African commodities, only sugar averaged higher prices in the first half of this year compared with first half 1991 (see table).

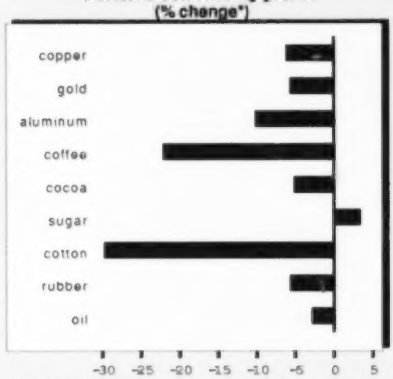
More significantly, two of Africa's most important exports — cocoa and coffee — continued to suffer a calamitous fall in prices of 13-15 per cent in the first half of 1992. By end-June, the International Coffee Organization's daily all-coffee average had fallen to some 46 US cents a pound. This compares with levels of over $1.20 before the collapse of the International Coffee Agreement in 1989. Coffee prices are now at their lowest level in over 20 years. Coffee producers proposed a global limit on exports of 62 million bags in June talks with consumers on a new international agreement. But differences over allocating market shares are compounding already difficult negotiations, making any immediate agreement unlikely.

Cocoa is in a similar situation. Despite greater accord among producers and renewed negotiations in July, no new international pact is expected before 1993. This year, larger than expected crops in Côte d'Ivoire and Ghana and the sharp fall in demand in the former Soviet Union have led analysts to sharply reduce the size of the first expected deficit in world production in seven years. Prices fell to new 17-year lows in June. Ghana avoided the worst of the price fall by earlier selling a large part of its crop on the futures market at higher prices. But traders are expecting large sales from Côte d'Ivoire in line with World Bank guidelines in its structural adjustment programme with the country to sell three-quarters of the new crop by end-September.

Sugar, tea and cotton prices have both shown an upturn in second quarter 1992. As this largely reflects the impact of drought in Southern Africa, however, it has been a mixed blessing for the continent. Tea prices on the London auctions rose some 20 per cent between January and May, but have subsequently fallen back. The recovery in sugar prices has similarly been hesitant. Price recovery appears to be on a firmer course for cotton, but large crops will mean that the relatively high prices of mid-1990, when prices topped 90 cents a pound, are unlikely to be reached.

Both metals and oil prices are enjoying greater buoyancy. Price prospects are brightening for copper, but again this partly reflects production difficulties for African exporters. Oil prices reached an average $21 a barrel in June. This was achieved at the cost of cutting output, but with economic recovery in industrialized countries still hesitant, oil is unlikely to average much above this level in the second half of the year without deeper production cuts.

Africa's commodity prices
(% change*)



* first half 1992 over first half 1991 average.
Source: Africa Recovery

Debt deals for Togo, Uganda

Two more African countries — Togo and Uganda — have secured further debt relief from the Paris Club of bilateral official creditors. Both countries were granted the more favourable terms agreed in principle by creditors last December, which effectively cancels 50 per cent of eligible debt obligations.

The new arrangements are less favourable to debtors than the Trinidad terms originally put forward by the UK which offered to cancel two-thirds of eligible debt. In Uganda's case, the new deal will make only a small reduction in its present debt obligations. Debt servicing to Paris Club members falling due until November 1993 has effectively been halved, but officials say Uganda's debt to non-Paris Club members — particularly Eastern European and Arab countries — is twice this amount. The country's debt-servicing burden with multilateral institutions is also heavy. Even then, Ugandan debts to Paris Club members incurred after 1981 are not covered by the new deal.

Togo received similar terms, though only 12 months of servicing obligations have been covered. However, its debt to Paris Club members accounts for some two-thirds of total obligations, while its cut-off date for debt coverd by the new deal is 1983. ■

Africa's population boom

Africa will be responsible for 34 per cent of projected population growth in the world in the 1990-2050 period, says the *State of the World's Population 1992* report of the UN Population Fund (UNFPA). Africans accounted for 12 per cent of the world's population in 1992. But at current growth rates of 3 per cent a year, Africa's population could double by 2025, representing 19 per cent of world population. By the middle of next century, there could be three and a half times more Africans than in 1990 when they numbered 642 million, says UNFPA. However, with little immediate prospect of an economic upturn, the continent would also remain the poorest in the world, the proportion of people living in absolute poverty having already risen from 41 to 47 per cent of total population in the 1980s.

Noting that education, particularly for women, is still the strongest link between economic growth and lower birth rates, UNFPA points out that a slower rate of population increase depends on improved preventive and curative health services, broader access to better education, the economic advancement of women, and family planning. It also argues that sustainable development will require the allocation of increased international and domestic resources to all aspects of human development, particularly in Africa. ■

AFRICA WATCH

AID FLOWS

Africa outpaces modest OECD aid rise

Western aid to sub-Saharan Africa in 1991 increased, in real terms, "at more than twice" the rate for developing countries as a whole, according to preliminary estimates released by the Organization for Economic Cooperation and Development (OECD). According to the OECD, aid from the members of its Development Assistance Committee (DAC) increased by 2.1 per cent last year to total $58.2 bn, although it did not give details of any regional breakdowns. As a percentage of combined gross national product (GNP), DAC aid was unchanged in 1991, at 0.34 per cent.

While the US was officially the largest donor in 1991, at $11.5 bn, most of the growth in DAC aid was from Japan. Its aid increased by over 10 per cent to $11 bn in 1991. In contrast, US aid fell by 2.7 per cent in real terms over 1990. Japan is set to become the world's largest aid donor next year, when cancellation of military debt will no longer be treated as part of aid flows. The 1991 figure for the US includes $1.85 bn in military debt cancellation to Egypt. For both countries, however, aid's share of GNP remains modest — 0.2 per cent for the US and 0.32 for Japan.

Among major DAC donors, the UK showed one of the largest increases, of 16 per cent, to $3.2 bn. This raised aid's share of UK GNP to 0.32 per cent from 0.27 per cent in 1990. Germany's aid rose to $6.8 bn in 1991 (0.4 per cent of GNP), an increase of 5 per cent in real terms. France contributed $6.7 bn in aid in 1991 (0.56 per cent of GNP). This is an increase of just 1.8 per cent. In terms of aid's share of GNP, Norway led DAC members with 1.14 per cent of GNP going for aid in 1991, down from 1.17 in 1990. ■

Mrs. Graça Machel of Mozambique and Dr. Ebrahim Samba of Gambia are the recipients of the 1992 Africa Prize for Leadership for the Sustainable End of Hunger, awarded by the US-based Hunger Project. Mrs. Machel, wife of the late President Samora Machel, was recognized for her continued dedication to protecting and expanding literacy, education, and community development in war-devastated Mozambique. Dr. Samba was chosen for his successful management since 1980 of the Onchocerciasis Control Programme which has virtually eliminated river-blindess in 11 West African countries.

ECONOMIC POLICY

UN calls for renewed growth

The UN has called on Western leaders to re-stimulate their economies in the interest of the faster global growth that is needed to reverse falling per capita incomes in developing countries. Forecasting only a modest upturn this year among leading industrial economies, the recently published 1992 *World Economic Survey*, suggests that leading industrial economies should ease the pace of current cutbacks in public expenditure in order to give a much needed boost to investment. The UN speculates that "the pendulum may have swayed too far in the direction of market orientation, leading to a neglect of the role and responsibility of the State in development."

But while Western leaders at their 6-8 July economic summit in Munich expressed grave concern over the slow pace of world economic recovery, they continued to give most emphasis in their domestic economic policy to the need to curb mounting public deficits and the fight against inflation. Their economic comunique called for greater aid flows, but was largely silent on the issue of debt. Most analysts expect limited world growth this year. ■

Africa Recovery wins media award

For the second time in five years, *Africa Recovery* has been awarded a prestigious World Hunger Media Award. The publication won a Judges Award in the Periodicals section for its "excellent documentation on the African crisis and effective strategies for action." The winners in other categories this year included *The Atlantic Monthly;* Peter Jennings of ABC-TV; CNN and World Monitor Television; and *Newsweek* and Knight-Ridder Newspapers. The first prize in the periodicals category went to *African Farmer*, for providing "solid information and tools for food self-reliance from African farmers to African farmers."

REVIEW OF UNPAAERD

African efforts need much stronger global support: Secretary-General

The "documentation and strategies for action" for which *Africa Recovery* won the prize were derived from the Secretary-General's final report and assessment of the UN African economic recovery programme (UNPAAERD) in August 1991. *Africa Recovery* won a similar award in 1988 and is the only UN-system publication, radio or TV programme to have won this distinction.

World Hunger Year, a New York based non-profit educational organization, was founded in 1975 by the late Harry Chapin, a well known American singer/songwriter, and Bill Ayers, its present executive director. The annual awards were begun in 1982 to encourage and honour significant media coverage of world hunger, poverty and development issues.

NEW ECA HEAD

As *Africa Recovery* went to press it was announced that the UN Secretary-General had appointed Mr. Layashi Yaker Executive Secretary of the UN's Economic Commission for Africa, in place of the interim head, Mr. Issa Diallo. Mr. Yaker, an Algerian, is presently Special Adviser to the Director-General of UNESCO, with special responsibility for the reorganization of operational activities. He is a former Ambassador to the US and USSR and was Minister of Commerce 1969-77. He was a member of both the South and Brandt Commissions.